

INSIDE: THE BATTLE TO BAN ASBESTOS

Macleane's

JULY 21, 1986

CANADA'S WEEKLY NEWSMAGAZINE

\$1.75

Moscow's New Look

Assessing the impact of the Gorbachev way



**Muscovites
near Red Square**





There's vodka.



And then there's Smirnoff.

Friends are worth it.

SMIRNOFF



Maclean's

JULY 24, 1988 VOL. 10 NO. 30

COVER

Moscow's new look

Since coming to power in March, 1985, Soviet leader Mikhail Gorbachev has departed from the path of his predecessors by unleashing a political, economic and social revolution. Nowhere is the change more striking than in Gorbachev's drive to end the country's economic and technological backwardness.

—Page 22

Illustration by John Jones, Maclean's



Ted Turner's gamble

Broadcasting maverick Ted Turner will lose millions on his Goodwill Games, a co-production with the Soviet Union, but his gamble may eventually pay off.

—Page 44



Ontario's troubled North

Depressed prices for metal and farm-factory products have caused economic hardships and a welter of social problems for many Northerners. Ontario towns.

—Page 8



A musical marriage

Rebounding from bankruptcy and occasional disputes, David Stewart and Anne Lennox of Britain's Eurythmics say musical stardom is the sweetest revenge.

—Page 54

CONTENTS

Amid	7
Edin	42
Business/Economy	32
Canada	8
Cover	22
Editorial	2
Film	50
Fatheringham	56
Health	38
Labour	43
Letters	4
Made	54
Newman	35
Prognosis	4
People	36
Sports	44
World	16



Protesting a 'massacre'

When Le Havre, France, poisoned its sewage, former actress Brigitte Bardot, an animal-rights activist, expressed her disgust in a letter to the mayor.

—Page 36

LETTERS

Balancing the NFB

I would like to thank Barbara Amiel for "Seeking a political balance" (Column, June 28). Her honesty about the National Film Board, in comparison with the misleading comments from the director of the NFB, was refreshing and deserves what praises me is why a Conservative government does not take steps to at least give us a balanced viewpoint. I no longer watch NFB documentaries because I'm tired of the leftist bias/over-sent via newspapers, TV and radio.

—JAN MCKENZIE

New Westminster, B.C.

Does Barbara Amiel really believe that the son's promotion of the cause of nuclear disarmament, with films such as *If Not Now, Then When*, is a left-wing tactic? Perhaps I've been misinformed by too many left films, but as far as I'm concerned the only political stance they've ever supported is the belief in the betterment of the human condition. In a time when the private sector is producing films that promote hatred and violence such as *Assassins*, *Red Dawn* and *Bambo* ("Assassins takes the Buds to the movies," FILMS, June 28), what is the NFB's means of not to challenge the Canadian conscience from time to time?

—JAMES E. WRIGHT
Montreal

I had suspected it for a long time, but after reading Barbara Amiel's June 28 column I was certain: film columns in *Maclean's* are actually written by Allan Fotheringham. His style is unmistakable: that of a silly idea and then see what



Sarah Ferguson: perfectly normal

over tricks of the writing trade and loads of logic necessary to have the reader conclude that the idea has merit. Now that the rope is up, please relieve Fotheringham from double duty, and hire a serious, competent and responsible social/political writer.

—JOHN PARQUHARSON,
Victoria, B.C.

Slim pickings for Sarah's critics

I was sorry to see a gossip item about princess-to-be Sarah Ferguson (People, June 28). It seems the First Street school papers criticize her for not dieting. It strikes me that the weight you describe is perfectly normal for a woman of her height; it just does not meet the current absurd criteria for fashionable slimmers. We live in a society where women shamelessly diet and purge, even to death. In my 50 years of practice I have found that nearly every woman who has ever stepped on my scale has expressed some sort of distress about her weight. Ferguson, like most of these women, looks perfectly normal to me. Even if she were astonishingly curvaceous, however, surely that is no one's business but her own.

—KATHLEEN KENNEDY MD
Vancouver

A smaller crop

In "The new opposition to public smoking" (Behaviour, June 21, you go from fast to fast). I have never grown more than 20 per cent of the 700-acre tobacco crop you state that I grow. Tobacco farmers rarely grow more than one-third of a farm's total acreage, thereby limiting disease and soil erosion.

—HUGH C. SUMMEL,
Otterville, Ont.

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Send correspondence to: Letters to the Editor, Maclean's magazine, Mailroom Phone 8545, 777 Bay St., Toronto, Ont. M5W 1A7.

PASSAGES

DIED: U.S. Admiral Hyman Rickover, 86, the crackpot engineer who pushed a reluctant U.S. navy into the nuclear age and made enemies along the way, after a history of ill health following a stroke last summer, in Arlington, Va. During a career which spanned six decades and ended only when Secretary of the Navy John F. Lehman Jr. ordered Admiral Rickover retired against his wishes in 1962, Rickover demonstrated powers of persuasion that led to the development of the first nuclear submarine, Nautilus, which in 1955 made a historic voyage under the polar ice cap.

DIED: Secretary General of the Vietnamese Committee in Paris, Le Duc, 78, who succeeded Ho Chi Minh as Vietnam's most powerful leader, of what the official House of Vietnam radio described as "a serious illness and old age," in Hanoi. Le Duc was part of an aging generation of Vietnamese revolutionaries who led the socialist state's ultimately victorious 1954 to 1975 war against the U.S.-backed South Vietnamese government.

ARRANGED: Conservative MP for Guelph, Ont., Michel Gravel, 46, in a 1984, Qpc provincial court on 30 counts of corruption, including influence peddling, abuse of public trust and bribery. Gravel, who entered as a pilot, was ordered by Judge Jules Barriere to face a preliminary hearing on July 30.

DIED: Paul Yuzik, 71, a Conservative senator from Manitoba and historian active in the Ukrainian community, of cancer, in Ottawa. Yuzik, regarded by many as the father of multiculturalism, was appointed to the Senate in 1983 by then-prime minister John Diefenbaker.

STEPPING DOWN: Civil servant Mary Brown, 85, whose controversial decision helped shape film censorship policies across the country, from her post as chairman of the Ontario Film and Video Review Board, after a six-year term, the maximum allowed under provincial regulations. Brown has accepted a part-time job tending the elderly in the ministry of community and social services.

REINVENTED: Charges of attempted murder and assault against Horatius Goetz, 38, who shot four youths on a Manhattan subway train in 1984, by the New York State Court of Appeals. The ruling reversed a lower appeals court decision and means that the case against Goetz, who has said he feared the youths would rob him, will now proceed to trial.

Efficiency.



One reason why Cast provides the most cost-effective transportation system to and from Europe.

CAST

The Blue Box System of Container Shipping

MOVING? CALL TOLL FREE

1-800-263-9057
Toll-free in Ontario
596-5525

OR CALL 416-291-1000 AND HAVE
AT LEAST 1 WEEK'S NOTICE FOR MOVE

NAME	LAST	FIRST	MIDDLE
ADDRESS	STREET		
CITY	PROVINCE		
TELEPHONE	AREA CODE		
DATE	MONTH		
DATE	YEAR		

**CAR
REPAIRS
GUARANTEED
FOR LIFE!**



**LIFETIME
SERVICE
GUARANTEE**

**It's incredible
but true.**

**Hundreds of Ford
and Mercury dealers*
guarantee most
repairs for as long
as you own your car.**

The Lifetime Service Guarantee Ford and Mercury dealers* guarantee their repairs on Ford and Mercury dealers* will let their Price Plus Ford/Labour and the guarantee covers thousands of parts, with the inclusion of regular maintenance parts such as plugs, filters and trim.

The Lifetime Service Guarantee. Proof positive that your Ford and Mercury dealers* are committed to providing QUALITY CAR CARE. QUALITY CARE AND LIGHT TRUCKS See your Ford or Mercury dealer* for complete details.

*All participating dealers only.
Not all dealers are in all areas.
See your dealer for details.



**Quality is Job 1.
In Everything We
Sell and Service.**

FOLLOW-UP

Dimming the red lights

It is a common sight in the swamy Soho district of London's West End. Outside the haberdashery on Archer Street a young woman in a thigh-length dress loiters against a sign promising "Intimate surroundings, lovely girls." The bar is one of dozens of trendy sex outlets that line the back streets of Soho, offering pomp shows, managers, topless waitresses and nude strip shows. The district—its name derives from a haunting cry from the 1600s, when the

But whatever the council's motive, the area's sex merchants are displeased with the law, which aims to backstop them with new license fees ranging as high as \$300,000 annually. Arguing that "nobody's getting hurt" by the sex trade, one woman who runs a lingerie modeling studio said "We're providing a service. There are a lot of love's people outside." In previous cleanup campaigns, the sex peddlers have survived by finding loopholes in



Soho sex shops battle an outdoor 'kiss ban' over speeding development

area consisted of little more than weeds and fields—has been famous for decades for its decadent night life. But Westminster city council, the administration that has jurisdiction over the district, has responded to pressures from local residents and neighborhood groups and has passed a law designed to clean up the neighborhood. For many area residents the ordinance, which came into effect on July 1, was long overdue. Said Maxwell: "What was a seamy school surrounded by peep shows. 'It would be great if they all go.'"

In recent years Soho has been invaded by well-to-do Londoners, attracted by stylish new restaurants and smart stores. Residents and shopkeepers' dislike to occasional trade coexisted that Soho's image as a red-light district would hamper its development as a gentrified neighborhood. "We are not interested one jot in the morality of it," said Peter Hargreaves, chairman of Westminster council's environmental committee. "Our stand is quite simply an environmental one."

Alms ordonnances. But now many say the license fee is a serious threat to their survival. Among those affected are Jerry Warr, 31, and six other women who opened a peep show in a tiny ground-floor stall on Soho's Wardour Street in 1980. Customers feed 50-pence (31¢) coins into slots to look through glass-covered films at women dancing and posing in the nude. Complained Warr of the new regulations: "We stand to lose a lot of money. I don't want to be unemployed."

Already, the cleanup campaign has convinced many prostitutes to leave Soho and move to other parts of London. But the small merchants do have defenders in the community. While most residents appear to have been cheered by the council's action, a few lament Soho's changing identity. "I think the council's spoiling Soho," said John Cartwright, the bartender at The Palace, a local pub. "It's losing its character."

—PHILIP WINGROVE in London

FOLLOW-UP

The crusading Berrigans

Outside the Toronto high school 90 protesters, most of them South Vietnamese refugees, chanted "Berrigan go back to Hanoi!" Inside the building stood the target of the demonstration, Philip Berrigan, 68—former priest and veteran American antiwar activist, a figure from the 1960s still generating controversy after all these years. Berrigan is probably best remembered for burning U.S. draft board files with home-made asphalt in Catonsville, Md., in 1968. Yet his activities did not end with the Vietnam War. Speaking recently at a Toronto conference on crimes against children, he warned that nuclear wars have deprived children of a sense of future. Berrigan told an audience of 300 in the school auditorium, "The government is not going to disarm, so people have to start that process."

The gospel according to Berrigan has long called for nonviolent civil disobedience, and it continues to be the basis of his lifestyle. He lives in Baltimore, Md., in a community known as Jonah House, dedicated to nonviolent resistance. He has served nearly five years in prison for the Catonsville incident and other activities, and he is currently out on appeal of yet another conviction, a three-to-10-year sentence for burglary in the 1961 strike at a General Electric plant in King of Prussia, Pa., a Philadelphia suburb. In that case, Berrigan and members of a group called the Plowshares Eight damaged two missile nose cones with hammers and poured their own blood over classified documents. In addition, his wife of 38 years, now-once Elisabeth McMeister, is now completing a three-year prison term for taking a hammer to 31-52 magazine at its own farm house.

Berrigan first achieved prominence when he and three other activists entered the Customs House in Baltimore in October, 1967, and poured blood in draft board files. Convicted of defacing government property, Berrigan was awaiting sentencing when he encountered his elder brother, the Rev. Daniel Berrigan, and seven others to make the Catonsville raid in May, 1968. The six were convicted of conspiracy and destruction of government property and sentenced to jail terms ranging from two to 3½ years. Philip got 3½, was concurrently with a six-year sentence for the Customs House action.

Paroled in December, 1972, after 38 months, Berrigan announced his marriage, which had taken place in 1969 but remained secret during his imprisonment,



Berrigan protesting philosophical

convert, and left the priesthood. He then founded Jonah House. The building is home to 18 people—although two are now in jail for acts of civil disobedience (one is a sister, Berrigan, and his three children journey to a federal reformatory to visit his wife Thelma, and son Jerry, 13, is "the best part of the month. You know that poor mother's away for a good reason, but you still wish she was home." Berrigan is philosophical about acts that separate him and his wife from the children. "We have adequate responsibility for them," he said, "but in the sight of God they aren't more important than the children of other people."

Berrigan's brother Daniel is also appealing a burglary conviction stemming from the King of Prussia incident in 1961. Daniel, now 65 and still a priest in New York City, frequently distributes leaflets for antinuclear causes and speaks of churches and colleges. Philip, meanwhile, continues his quirky crusade, often at the Postage—blocking doors and throwing blood or ashes. He remains unconcerned that, in the current conservative climate in the United States, such actions seem almost anachronistic. Said Berrigan: "Whether we're in or out of style doesn't mean a damn to us."

—BOB LEVIN in Baltimore

SAUZA TEQUILA GOLD

NOTHING MORE TO ADD

Take a glass. Pour in Sauza Tequila Gold. Perhaps over ice. And that's it. Simply answer the moment, without doing it great strength. Or instead for that matter.



Ontario's troubled North

Across the 500,000-square-mile expanse of Ontario's sparsely populated North, 6,000 jobs have been lost in the past year; 14 per cent of the people are on welfare and the unemployment rate is 12.4 per cent. While the industrial backbone of Southern Ontario enjoys a boom, its employment in Toronto is six per cent—depressed world metal prices coupled with weak prices for pulp and paper products is the resource-dependent North fast led to stagnation. Maclean's Staff Writer Sherry deLozars recently completed a 30-day tour of the region, ranging from Kenora to Elliot Lake. Her report.

The planned community of Elliot Lake occupies a clearing in an evergreen and hardwood forest on the southern fringe of Northern Ontario, the central Canadian vastness that is rich in natural resources but down on its back. The town of 16,700 stands 22 km by road—in the converted yellow school bus that serves as public transit—north of the Trans-Canada Highway and the CP railway line that runs between Sudbury and Sault Ste. Marie. Just 81 years old, Elliot Lake owes its existence to a local supply of uranium, which is now mined mainly to fuel Ontario Hydro's two nuclear power plants. In the late 1970s, when the provincial utility signed long-term contracts to buy Elliot Lake uranium, many workers were drawn to the town by advertisements that promised security and prosperity with two mining companies, Urconex Mines Ltd. and Rio Algonquin Ltd. For Philip Hyland, then a 29-year-old British immigrant, the opportunity was irresistible. In 1977 he signed on as a mill worker for Rio Algonquin. Said Hyland: "When you heard us they told us we were good for 20 years."

But since 1982 the soft-spoken mayor of Chelvey, near Manchester, has been laid off three times and has been forced to take work underground as a miner because there were no jobs in the mill. He recently postponed an August marriage to his fiancée in Britain when Rio Algonquin proposed to lay off 300 more workers. "I can't bring her to this town not knowing whether I'll be laid off within a year," Hyland said. "I won't even take out a loan to buy a car."

Hyland's fears are echoed by thousands of worried residents throughout the troubled region. West 41st

Northern Ontario's 22 one-industry towns such as Elliot Lake. In the 1960s many of those communities boasted the highest wage rates in the country as townsfolk flocked to mine a fortune from some of the world's richest natural veins—copper and nickel around Sudbury, gold, silver and zinc in Timmins. As well, the regional centres of

(page 18) Seld Doug Lightman, economic development commissioner for the city. "We are literally going through hell with so much unemployment and instability." In an attempt to respond to the crisis in the North, Ontario's Liberal Premier David Peterson flew to Sault Ste. Marie last week to announce a series of grant



Uranium mines in Elliot Lake "we are literally going through hell"

North Bay, a manufacturing and transportation city, and Thunder Bay, a pulp and paper centre and grain shipping port, also prospered. But Northern Ontario has yet to recover from the recession of the early 1980s. High unemployment rates have produced a welter of social problems such as racialized breakdown and increased crime. In the copper-rich town of Sault Ste. Marie, 300 people a day appear at the Blessed Sacrament Church for free noon meals

progress valued at \$25 million. Pressing to current another \$30 million by the end of the year, Peterson said the government would move 360 civil service jobs to Sault Ste. Marie, including 130 in the Ontario Lottery Corp. The package also included \$5 million to stimulate the tourism industry and \$6 million for public works in the area. The government assistance came a month after the release of a provincial report on resource-dependent commu-

nities, which warned that if the government did not take more than "a Band-Aid approach" to spur industrial diversification in the North, the economic and social problems of the region would worsen beyond repair. Ontario Tory leader Larry Grossman described the policies as a cosmetic approach to Northern Ontario's economic problems. Said Grossman: "All they've done is take a bunch of projects that are on the books, upstage them and put them forward."

Despite government grants, many small towns are already doomed. In the mining community of Uxbridge, 40 km west of Sudbury, Inco Ltd. announced last March that 15 plans to expropriate and raise housing on its land by 1988. Although a group of residents is fight-

ing, it's not clear if the government is in Sudbury, the Creighton mine is depressingly farthest. He predicts a bleak future for many small communities. But Soudice is more optimistic about the five regional centres—Sudbury, Thunder Bay, Sault Ste. Marie, Timmins and North Bay—which have enough influence to attract government support. Said Soudice: "Major centres will continue to expand, often at the expense of communities around them, because of infrastructure already in place that attracts small industries."

Indeed, industrial incentives and other handouts from the provincial and federal governments have become essential to the survival of many towns. "Capturing the attention of MRA and turning dollars is a big part of creating jobs here," said Soudice.

"But the tremendous crying for these jobs has meant animosity among struggling communities." Soudice notes that Sudbury has a reputation as "the biggest bully on the block." After the steel market collapsed in the 1970s and 6,500 miners lost their jobs, the city became one of the first to take advantage of its political importance to lure government employment opportunities. Although the Inco and Falconbridge Ltd. mines still employ 11,000 workers, as even larger numbers of the city's 41,500 residents currently work elsewhere—in one of four major hospitals, a federal government tax centre or a local tourist attraction, the provincial Science North museum.

Still, recovery has been marginal even for Sudbury, and the 1,200-dot Inco smelterstack looms over the city as a reminder that it is still primarily a mining center. Ben MacDonald, president of United Steelworkers of America Local 6000, says he is concerned about job prospects for his three sons at a time when youth unemployment in the North hovers near 26 per cent. Asked MacDonald: "Who can blame them for leaving the north?"

The economic disparities within Canada's richest province have long been a sore point for those who live in Northern Ontario. Although northern miners and forest producers are valued at \$1.6 billion a year and contribute to the province's economic growth, northerners complain that 85% of that wealth is reinvested in the North. Robert Rose-

hart, chairman of the provincial committee on resource-dependent communities and president of Thunder Bay's Lakehead University, says there is a deeply felt resentment among northerners that they are marginalized and exploited. "The reality is we must be given different treatment from the rest of the province, but that does not mean being reduced to second-class status," he says in an interview with Maclean's. Added union leader MacDonald: "The Ontario government cannot continue to rape the North without returning something."

Although discouraged by the economic outlook, many northerners are reluctant to leave in cultural wars behind. Despite a higher cost of living and harsh winters, said Rosehart, "you



Peterson in the Soo: seeking more than Band-Aids

don't mind paying 79 cents a pound for bananas when you can breathe fresh air."

Across the hall from the Rio Algonquin apartment Philip Hyland rents, another young man is considering his future in Elliot Lake. Steve Mitchell, a 22-year-old driver who has worked in the Rio Algonquin uranium mines for five years, said that his \$45,000-a-year salary induces him and his pregnant wife, Doreen, to stay for now. But Mitchell says he is reluctant to make a long-term commitment to the town. "I don't plan on being a miner all my life," he said. "And I certainly don't plan to invest in this town. By 1987 it may not even exist." With little prospect of an early recovery in the North, that prospect may come true for other small northern communities as well before the situation improves. □

Fighting back in The Soo

It is Saturday night in Sault Ste. Marie, Ont., but the main artery, Queen Street, is nearly deserted. Men in a small group lean on their cars in the parking lot of the Memorial Gardens hockey arena. As a car stereo blasts Bruce Springsteen's ode to small-town decline, My Abolition, a leather-clad teenager slides off a battered Camaro at the sight of a sleek Corvette and declares, "The mutants I get called back to the plant, I'm getting one of these." The plant is closed

three-month waiting list for counselling at the city's Family Services Centre. A six-month study conducted last year by centre director David Hivard and Algoma University College revealed alarming evidence of mental distress. More than half of the study's respondents reported mental health problems. The centre also reported a 75-per-cent rise in requests for family counselling over last year. Algoma Steel executives are aware of the social cost of layoffs. Steel company secretary

traumatic experience—at first one of disbelief, then of accepting that you won't be called back."

Between September, 1984, and September, 1985, more than 1,500 people have chosen not to wait for things to improve in Sault Ste. Marie, and they have migrated to other towns in search of better jobs. After working periodically at Algoma Steel for 12 years, last month Martin Coleman moved to Toronto to search for a job, so far without success. Bud Coleman, "If you don't work at Algoma Steel, your choices in The Soo are either a minimum-wage job or welfare."

Still, many residents are reluctant to leave their home town no matter how bad things get. Sault Ste. Marie Ald. Dennis Nelson received his pink slip from Algoma—in second in four years—a month ago. After his first layoff in 1980, following 10 years with the company, he converted his old furnace to a wood stove to save on energy bills and waited three years before he was recalled. The 39-year-old father of three says the second layoff will be less disruptive. "There's no longer a stigma attached to being unemployed. For many it's a way of life."

In June, Statistics Canada reported that its survey of Sault Ste. Marie and the surrounding region put the unemployment rate at 11.4 per cent. Bud Williams, provincial mpr for Algoma, which includes the city, says the actual rate is probably 17 to 20 per cent and adds that it could reach 27 per cent by mid-1987, when the company reduces its workforce even further.

The city's unemployment paid off last week with the provincial government's announcement of \$25 million in grants to help the beleaguered city. The provincial government will give the Ontario Lottery Corporation to The Soo, build a forensic laboratory and spend \$5 million to redevelop the waterfront. Although civic leaders welcomed the money, many residents doubted it would make much of a difference. Sault car salesman Sullivan "It will take more than transferring 280 jobs or constructing a few buildings to help us fully recover."

—SERRI McNEILAND and KERRY DOUGLAS in Sault Ste. Marie



Bach at Unemployed Workers Council charity with a free cup of coffee

by the Algoma Steel Corp., and a decade ago it employed 16,000 workers in the city of 82,000. But with more than 4,500 jobs lost in the past five years and 1,500 more to go within a year, the dream of high wages, cheap housing and expensive care has been replaced by a nightmare of unemployment and welfare. Sault Chevrolet salesman Ryan Belliveau "It used to be that you could always get a job at the steel plant. You just can't do that anymore."

The Soo, as Sault Ste. Marie is known for short, is suffering from a weak international demand for steel. One in five citizens is unemployed in a city that in the early 1970s ranked among the country's most prosperous industrial communities. One result is a

James McVillie "It is harder finding people off in Northern Ontario. It's not like you can tell them to go next door."

At the Unemployed Workers Council "help centre" located in a dilapidated storefront office on Queen Street, the effects of the city's decline are starkly evident. About 1,800 people a month drop by the nonprofit centre, sponsored by the local labor council, to pick out items of clothing, seek counselling or enjoy a free cup of coffee. The centre's manager, Desmond Beck, 51, knows the problems at first hand: his own income dropped from \$35,000 to \$5,000 in 1982 when he was laid off by Algoma Steel and went on welfare. He has witnessed hundreds of others struggle to adjust. Bud Beck "It's a



Words and Music to go...

Your FREE Stereo Cassette Player and Maclean's at less than half price!*

Going places? Take along your own personal stereo cassette player, it's yours FREE with Maclean's at 50% off!

Now you can listen to whatever you want, wherever you are, whatever you're doing! And a handy shoulder strap and belt clip make your personal stereo easy to carry, stylish good looks make it easy to show off!

Precision-engineered with state-of-the-art circuitry, your cassette player wraps you in superb stereo sound. The jitter-free chassis means you can play the hits with no errors. The adjustable headphones let you listen to your favourite cassettes without disturbing others. And thick foam-soft pads pomper your ears with sumptuous comfort.

So, whether you've plugged into Bach, rock or business talk, it plays it just for you. And, backed by a one-year warranty—it's the only way to go! Best of all,

it's yours FREE with Maclean's, Canada's Weekly Newsmagazine, your weekly playback of Canadian and world news.

Put your entertainment and information resources on fast-forward, send for your FREE Stereo Cassette Player plus Maclean's at less than half the cover price—NOW!

Maclean's Stereo Cassette Player with Maclean's at less than half price!

1) \$59.95 or \$79.95 (2) \$59.95 (3) \$59.95 (4) \$59.95 (5) \$59.95 (6) \$59.95 (7) \$59.95 (8) \$59.95 (9) \$59.95 (10) \$59.95 (11) \$59.95 (12) \$59.95 (13) \$59.95 (14) \$59.95 (15) \$59.95 (16) \$59.95 (17) \$59.95 (18) \$59.95 (19) \$59.95 (20) \$59.95 (21) \$59.95 (22) \$59.95 (23) \$59.95 (24) \$59.95 (25) \$59.95 (26) \$59.95 (27) \$59.95 (28) \$59.95 (29) \$59.95 (30) \$59.95 (31) \$59.95 (32) \$59.95 (33) \$59.95 (34) \$59.95 (35) \$59.95 (36) \$59.95 (37) \$59.95 (38) \$59.95 (39) \$59.95 (40) \$59.95 (41) \$59.95 (42) \$59.95 (43) \$59.95 (44) \$59.95 (45) \$59.95 (46) \$59.95 (47) \$59.95 (48) \$59.95 (49) \$59.95 (50) \$59.95 (51) \$59.95 (52) \$59.95 (53) \$59.95 (54) \$59.95 (55) \$59.95 (56) \$59.95 (57) \$59.95 (58) \$59.95 (59) \$59.95 (60) \$59.95 (61) \$59.95 (62) \$59.95 (63) \$59.95 (64) \$59.95 (65) \$59.95 (66) \$59.95 (67) \$59.95 (68) \$59.95 (69) \$59.95 (70) \$59.95 (71) \$59.95 (72) \$59.95 (73) \$59.95 (74) \$59.95 (75) \$59.95 (76) \$59.95 (77) \$59.95 (78) \$59.95 (79) \$59.95 (80) \$59.95 (81) \$59.95 (82) \$59.95 (83) \$59.95 (84) \$59.95 (85) \$59.95 (86) \$59.95 (87) \$59.95 (88) \$59.95 (89) \$59.95 (90) \$59.95 (91) \$59.95 (92) \$59.95 (93) \$59.95 (94) \$59.95 (95) \$59.95 (96) \$59.95 (97) \$59.95 (98) \$59.95 (99) \$59.95 (100)

First Name Last Name

Address Apt. #

City Prov. Postal Code

LONGER TERM SAVINGS! PRIORITY SERVICE!

Bill me \$79 for 104 issues. Send I enclose \$79—send

Cassette Player when I pay Cassette Player is a.s.p.

*Offer ends June 30, 1987. Offer good in Canada only. Please allow 4-6 weeks for delivery of your free offer after receipt of payment.



Protester sprays pup with dye in anti-seal hunt campaign; endangered

Verdict on the seal hunt

The story seen by viewers in Atlantic Canada, near the end of CBC's *The National* on Monday evening last week did not seem sensational. A royal commission on sealing, largely ignored during cross-Canada hearings last year, had completed a draft report. Citing a leaked copy, the network reported the commission's findings: Atlantic seal hunts were not endangered, and the traditional practice of killing and using pups with clubs was not inhumane, but the hunt for newborn "whitewings" should be banned anyway because of widespread public opposition. Minutes later a bulletin entered the CBC's Montreal offices with an injunction requested by commission chairman Meade Leveson, a Quebec Court of Appeal judge. It ordered the CBC to drop the story from later editions of *The National* shown elsewhere in the country.

The resulting furor over press freedoms—the court order was lifted within 36 hours—focused unexpected attention on the report and the fate of 7,000 seal hunters. Many of them have lost up to 50 per cent of their incomes, already well below national averages, since the controversial seal hunt moratorium in 1994. The seven-member commission's inquiry, begun after the European Community banned the import of Canadian seal skins, chastised Ottawa for failing to consider depletion of the seal hunt as a byproduct. And the commission recommended that \$120 million be set aside to compensate seal hunters in Newfoundland.

lunt, Quebec, the Maritimes and the Western Arctic. But in their central finding, the commissioners recognized that widespread public opposition made a revival of the seal hunt unrealistic. Even so, sealers welcomed what many considered vindication. Desmond Black Road, president of the Canadian Sealers Association, says: "We can say to the world: once again we're not cruel savage people."

Meanwhile, the controversy that greeted the CBC's use of Justice Malouf's leaked report, is presented formally to the federal cabinet in September, seemed a fitting dose to the often angry campaign against the seal hunt. Quebec Superior Court Justice Charles Phelan granted the injunction. He issued his landmark ban after receiving a petition from Malouf, which argued that the CBC story might contain inaccuracies that would "reduce the public title error." Many critics found those grounds shaky at best. University of Western Ontario Prof. Robert Martin, a media law specialist, for one, denounced the injunction as "cheerily wrong, just preposterous." In the end, Malouf himself requested that the injunction be withdrawn. But the legal banpost bore a distant echo of non-violence in London's 1960s, when anti-sealing demonstrators sprayed dye on seal pups to spoil their pelts and sealers destroyed one protest group's helicopter.

—CHRIS WOOD in Halifax with NORA THOMPSON in Toronto and PAT SECKE in St. John's

Thatcher's firm stand

Shortly before her weekend visit to Moncton's Expo 86 and a scheduled meeting with Prime Minister Brian Mulroney at Montreal's Mirabel Airport, British Prime Minister Margaret Thatcher gave a series of interviews to Canadian reporters in London. In each encounter she dismissed the same emphatic message: Britain would not support economic sanctions against white-ruled South Africa. She insisted, she insisted, would only cause further suffering for the country's black African people. "What is moral about adding to poverty and unemployment in a country that has no social security?"

The message was aimed as much at Mulroney, in advance of her scheduled Sunday meeting with him, as the Canadian public. The Canadian Prime Minister has been encouraged by some other Commonwealth leaders, notably Zambia's President Kenneth Kaunda, to urge Thatcher to impose sanctions against South Africa as part of a joint Commonwealth campaign against the apartheid system of racial segregation. Britain is the only one of the 48 Commonwealth countries to officially oppose sanctions, and Kaunda, in an interview with the Toronto Globe and Mail last week, said that he believes Mulroney is the only Commonwealth leader capable of changing Thatcher's mind.

The issue is expected to come to a head at a London meeting from Aug. 3 to 5 when Thatcher, Mulroney and five other Commonwealth leaders discuss ways of jointly putting pressure on the South African government to abandon apartheid. At risk is not just South Africa's fate but the future of the Commonwealth itself. Some black African countries have threatened to leave the Commonwealth if Britain refuses to impose sanctions. Mulroney's goal at the weekend meeting with Thatcher, as aide told Mulroney's, was to "read her mind" and determine if there was any chance of finding a British position. The chances of keeping a compromise in London appear slim, but if Mulroney could do so it would be a major triumph. Said the aide: "This is one of the biggest diplomatic challenges a Canadian prime minister can face."

—PAUL GERRARD in Ottawa with BOB LAMER in London

Facing up to a defeat

As Ontario doctors returned to work last week after abandoning a bitter but fruitless 25-day strike, many found it difficult to accept defeat. Leaders of the Ontario Medical Association, which represents the province's 17,000 doctors, officially ended the strike last Monday. But OMA executives vowed to continue their fight against an Ontario law—passed on June 28—that prohibits doctors from killing patients more than the amounts set out in a provincial fee schedule. Even before OMA leaders decided on new tactics, some doctors began to charge administrative fees for services such as telephone consultations that had previously been free. NDP Leader Bob Rae charged that the doctors were practicing "tin-egg medicine."

that physicians deliver the health care in this province, the government does not. Now, Peterson is going to find out how the voters really decide."

Still, the doctors paid a price for their strike. OMA president Dr. Richard Railton said that general practitioners who did not work during the 25-day stoppage lost an estimated \$5,000 each in billings, specialists about \$25,000. The doctors were left divided; the OMA estimates 29 to 30 per cent did not take part in the strike action.

And a poll in Toronto's *Globe and Mail* reported that 77 per cent of Ontario respondents opposed the strike. Admittedly Railton: "Public opinion was swinging against us. We lost this round—we are not trying to kid ourselves or anybody else."



On duty at Toronto General Hospital, the OMA vows to continue the fight

else." And Liberal Premier David Peterson, in an encounter with a doctor who said the bill's defeat has generated hatred, advised physicians, "Don't hate your patients just because we brought in a law." Added Peterson: "If you have got venem, rest it on us."

But some of the tactics expected to be considered by the OMA's 26 directors at a meeting scheduled for this week would affect patients. Among the ideas proposed by the association's political action committee are refusing strikes, a refusal to be an aid for patients after 5 p.m. and billing patients for generally free services, including removal of prescriptions or transfer of clinical records. OMA spokesman Lynne Beckett told Mulroney: "The bottom line is

The next round will include a legal challenge already launched, that is expected to reach the Ontario Supreme Court early next year. Both the OMA and the Canadian Medical Association contend that the extra-billing law violates their rights under the Canadian Charter of Rights and Freedoms. The litigation may affect medical billing practices across Canada. Ontario is the eighth province to ban extra billing in order to continue receiving federal health grants. The 1994 Canada Health Act imposes a financial penalty on provinces that allow extra billing. Extra-billing now remains legal only in New Brunswick and Alberta.

—MARY ANNEGAN in Toronto

**JACK SPRAT'S
AMAZING FACTS
ABOUT BEEF**

**BEEF
IS 35%
LEANER
THAN
IT USED
TO BE!**

"It's true!" says Jack Sprat who hates fat. "Better breeding and feeding methods have made Canadian beef leaner today. So there's more meat to enjoy and less fat to worry about."

**BEEF
IT'S LEANER THAN YOU THINK**



Jack Sprat

(Source: Jason, S.D.M.E. 1987. *Official Commission of Selected Cattle and Beef Steers and Heifers*. J. Can. Diet Assoc. 46:49)

A tragic vacation



Warburton, grief

The sea broke over coastal Nova Scotia as nine-year-old Andrew Warburton of Hamilton, Ont., walked away from the house near Halifax where he and his family were visiting to go swimming with friends in Tucker Lake. Four days later, as a chill drizzle soaked the sandy beach back, Andrew apparently lay down as a caribou deer trail nearly five kilometers from where he was last seen, and died. Said Dr. Roland Perry, Nova Scotia's chief medical examiner: "It was a case of a kid going into the woods and gets lost." But Andrew's death occurred only meters from a trail that searchers had passed at least twice. Although more than 1,000 volunteers and 10 trained rescue teams scoured the most elaborate scrub the province had ever seen, Andrew's body was not found until 400 soldiers joined the search on days after it began. By then the boy had been dead for at least 48 hours. Said Andrew's grandfather, Norman Hanning: "If they had the army in the first place, they would have found him alive."

Cutting advice

Since his return to power last December, Quebec Premier Robert Bourassa has made frequent reference to the need to cut government spending and expand the influence of the private sector. But a report last week by a five-man provincial task force suggested to study how to reduce the size of government appeared to go further than the Liberal premier had intended. Headed by Treasury Board president Paul Gobeil, the group's recommendations included a proposal to levy extra taxes on Quebecers who use medical and hospital services by testing up to \$5,000 in health care benefits as taxable income. The report also recommended dismantling, merging or abolishing more than 100 provincial boards and organizations, reducing subsidies to private industry and more than tripling annual university fees from their present basic \$500. The proposal to tax health care drew the most criticism. For his part, Bourassa said the Liberal program opened user fees. He said the government will study the report closely but added: "It is not a government report. It is a report made by nine experts about what could be done to face the financial crisis of this province."

A new tuna dispute

Two months ago, in a controversy that shook the government, the federal fisheries minister at the time, John Fraser, acknowledged that he had "overruled" federal inspectors and allowed more than one million tons of tainted tuna onto store shelves. Fraser resigned, the suspect tuna was recalled, and soon afterward the fish-mongering giant outside St. Andrews, N.B., closed. Last week Fraser's successor, Thomas Stinson, released a study of the issue by Alan Merr, a food sciences professor from the University of Guelph. Dr. Merrson criticized federal inspectors for rejecting some tuna that should have been released. But he saved his harshest words for the Star-Kist Canada Inc. fish plant, citing "insufficient

vigilance concerning general sanitation." Plant general manager Gerald Clay replied that most of the problems mentioned in the report were "routine events." For his part, Stinson accepted Merrson's recommendations for improved training of inspectors and new production guidelines for the industry. At the same time, he rejected Merrson's suggestion that Stinson allow Star-Kist to export 10 million starfish tins that it has kept off the market by government order. Instead, he said, the company should turn the fish into pet food. But Clay noted that Merrson found "no evidence the product was unsafe for human consumption"—and threatened court action unless Stinson changed its mind.

Logging on Lyell

The green, virgin rain forest of British Columbia's remote Lyell Island once again became the setting of one of the country's most far-reaching environmental disputes last week when Western Forest Products Ltd. resumed logging operations. Located in the South Metchikan region of the Queen Charlotte Islands, the island is claimed by the Haida Indians, who want to preserve the forest as part of their shamanist heritage. Seventy-two Haida band members received international attention last fall when they were arrested for attempting to blockade logging roads on Lyell Island. Logging eventually stopped when the provincial Social Credit government appointed a wilderness advisory subcommittee to seek a solution to the controversy. In March the committee recommended that some areas of Lyell be logged while others be set aside as part of a new national park. On July 4 the government announced that it had approved permits to log five new areas covering about 400 acres on the island. As the Haida met last week to discuss protest tactics, it was clear that after fighting to stop the logging since 1974, the natives and their environmentalist supporters would penetrate. Said John Broadhead, a spokesman for the Islands Protection Society: "There will be no more logging on Lyell Island."

The Stevens inquiry



Stevens, allegations

When Industry Minister Sinclair Stevens resigned from the cabinet in May and Prime Minister Brian Mulroney set up a judicial inquiry into conflict-of-interest allegations, Mulroney indicated that the investigation was designed to clear the air quickly so that Stevens could resume his place in the cabinet. Unlike his Ontario High Court Judge William Parker took nine weeks preparing for hearings scheduled to open this week in Toronto. In the interim Mulroney shuffled his cabinet—and assigned Stevens's portfolio to Michel Ote. The Parker commission—which established itself on three floors of a downtown Toronto office building—will likely take two to three months to complete its work. Stevens has said he is eager to testify at the inquiry into dealings between his wife, Naomi, and businessmen linked to her husband's department. But Mulroney, who said when he announced his cabinet shuffle on June 30 that he was still in the more powerful ministerial role, had not violated federal conflict-of-interest rules, stopped short of granting Stevens another cabinet post. Said Mulroney: "I will look at his situation when the inquiry is over."

Gene Wilder
Gilda Radner
Dom DeLuise
in
HAUNTED HONEYMOON
...A COMEDY CHILLER
by KATHLEEN TROTT
screenplay by KATHLEEN TROTT
produced by KATHLEEN TROTT
written by KATHLEEN TROTT
directed by KATHLEEN TROTT
Orion
Subject to Classification

OPENS JULY 25, EVERYWHERE



Gruman (left) and Rudman at Supreme Court budget cuts to attack the deficit

WORLD

A victory for spenders

The plan seemed to be an ideal solution to a problem that the politicians of the 1980s have made a top priority—the national budget deficit. The problem had defied the promises of Ronald Reagan when he assumed the U.S. presidency in January, 1981—and those of Jimmy Carter four years earlier—to eradicate the deficit. Then late last year the U.S. Congress, with White House encouragement, passed the Balanced Budget and Emergency Deficit Control Act of 1985. Better known as the Gramm-Rudman-Hollings act after the U.S. senators who sponsored it, the bill set out a fixed schedule of annual budget cuts that would eradicate the deficit—more than \$500 billion in 1991. If Congress could not agree on where to institute savings, the U.S. comptroller general would make arbitrary cuts to

meet the yearly targets. But last week the Supreme Court ruled that a key section of the act was unconstitutional. And that opened the way to Gramm-Rudman because it jeopardized government services were justified. Declared Rep. Leon Panetta (D-Calif.) "Congress will now have to make cuts the old-fashioned way, by voting for them."

According to the court's 5-4 decision, because Congress has the power to determine the number of federal judges, the act is effectively an attempt to force the president to grant him the power to arbitrarily legislate budget cuts. Another objection to the act is that it would eliminate the separation of powers in the U.S. Constitution by interfering with the President's sole right to execute laws. White House attorney General William French Smith said the act is unconstitutional. "The fact that a given law or procedure is efficient, convenient and useful

will not save it if it is contrary to the Constitution."

And the Gramm-Rudman act was, if nothing else, convenient. Although it put pressure on legislators to meet the yearly targets—the 1987 deficit was scheduled to come down to \$144 billion—it also had great political appeal. For one thing, the act provided politicians with a method of chopping the deficit without taking the unpopular responsibility for reducing or even eliminating individual programs. Said Rep. Mike Synar (D-Okla.), who testified the appeal to the Supreme Court: "The court said, no more tricks, no more gimmicks, no more any answers Congress must do its job and it cannot give its responsibility away."

But supporters of the act remained confident. Declared Warren Rudman (R-N.H.), one of the authors. "The reports of the demise of Gramm-Rudman-Hollings have been greatly exaggerated." In fact, there are three possibilities for saving the bill. One would be to reorganize an executive branch official to order the cuts. Another option would be to eliminate congressional control over the comptroller general. And finally there is a fallback position in the legislation that would require the act's actions retroactively. "While House colleagues of the \$117 billion in automatic spending cuts already ordered for the current budget year, and then approved by Oct. 1 of the budget for the fiscal year that begins on that date."

The 1986 Gramm-Rudman cuts already allowed were relatively pain-

less—except for the employees put out of work. Under the plan, which includes military spending but excludes social security payments, almost all departments were subject to major trimming. For one, Library of Congress reading rooms have been reduced, along with staff. Starting last week all travelers into the United States—except those entering by land from Canada and Mexico—have to pay a \$5 customs inspection fee. And in a bid to cut clothing costs, patrons of the Washington subway, which experienced heavy cuts in subsidies, are now asked not to leave old newspapers behind.

But if Gramm-Rudman is upheld, the outlook for 1987 is considerably gloomier. Because about \$50 billion is scheduled to be cut, entire programs may be eliminated and some government assets such as federal dams sold off. "Today's cuts are the beginning of your death," House budget committee member Charles W. Stenholm (D-N.Y.) said before last week's ruling. "What is coming will be like chopping off your head." And the act's deficit reduction schedule does not take into account compromise stamps, which would be exacerbated by budget overruns. Concluded Alvin Rivlin, director of economic studies at the Washington-based Brookings Institution, in a paper published this summer: "Continuing the budget deficit to a particular major crisis destabilizing the economy."

Reagan has clearly left it up to Congress to decide the next step. Said the President last week: "Now Congress must make the difficult choices." The convoluted politics of Washington will further add to the confusion. Although Reagan signed the bill, the White House backed the constitutional challenge. And some insiders speculate that Reagan's intention from the start was to scuttle the plan while still appearing to champion budget cutbacks. The reason, the current warring between a president devoted to military spending and a Congress just as obsessed with slashing the military budget makes agreements in cuts unlikely. And arbitrary cutbacks under Gramm-Rudman would affect military spending.

So experts say that Congress's choices will be made even more difficult by the approaching congressional elections in November. Faced with the current sluggish performance of the economy, many legislators who initially rejected Gramm-Rudman may now have trouble justifying a bill stripping federal spending, may further retard economic growth. "Confidence is a modest word for what's ahead," said Rep. Bill Gooden (D-Calif.) "Formal may be mere courtesy."

—IAN GIBSON in Washington

PHILIPPINES

A bungled bid for power

At times the coup attempt took on the dimensions of a comic opera. When Arturo Tolentino, foreign minister in the now-deposed government of former president Ferdinand Marcos, proclaimed himself provisional president of the Philippines last week, he sold more than 300 supporters close the luxurious Manila Hotel as the seat of their government. While rebel soldiers raided the hotel's wine racks and turned the front lawn into a disco, the 35-year-old Tolentino

her attempt to negotiate peace with Communist rebels. They claim that the talks reflect a lack of confidence in their fighting abilities. But many observers credit Enrile with maintaining control of the military. And, said one Asian diplomat: "Aquino knows she cannot play around with Enrile."

Bob Marcos and Tolentino, meanwhile, denied that they had dined the palace. Tolentino explained that he was only "responding to the will of the people." And some officials smelt the



Tolentino (left) with rebel supporters, 'responding to the will of the people'

called for the overthrow of President Corason Aquino, claiming that she had seized power illegally in last February's revolution. But within hours the attempted coup quickly fell apart when Aquino's defense minister, Juan Ponce Enrile, himself a former Marcos supporter who abandoned the alliance and opposed Marcos last February—refused to join the rebels. Declared a costly triumph Aquino "I still have the support of the Filipino people."

But Western diplomats declared that Aquino owed her survival as much to Enrile as to popular sympathy. In recent weeks supporters of the ousted Marcos, who now lives in exile in Hawaii, have stepped up antigovernment rallies in the capital. At one of those rallies last week Tolentino took an "oath of office" as provisional president, declaring that he would hold office until Marcos could return from Hawaii. At the same time, many members of the armed forces are growing disenchanted with Aquino because of

Aquino government pointed to Benigno Aquino, a former military intelligence chief in the Marcos government, as the architect of the challenge. Aquino, for his part, refused to elaborate on his role, stating simply: "I have my own definition of loyalty."

Although Aquino initially threatened to charge the rebels with sedition, she later announced that she would demand no more than a pledge of loyalty from them if they surrendered without a fight. But that fueling speculation that she had bowed to pressure from Enrile, who had fought for the democracy after in a bloody cabinet meeting. In the end, Aquino supporters admitted that there is one disquieting fact that threatens to undermine her authority: loyalist troops remain more loyal to Enrile than to Aquino. Added veteran Filipino journalist Luis Beltrán: "It is popular enough to reign but too weak to rule."

—IAN NEWMAN in Manila



The prime minister after the election, hearing the voice of the supernatural

JAPAN

A tribute to Nakasone

Few may members of Japan's Liberal Democratic Party (LDP) see the election results were a sign that the public was willing to forgive and forget. On July 8, voters returned the party to power with 300 of the 512 seats in the lower house of Parliament, the LDP's biggest victory in 30 years of existence here in Japan. The outcome was a tribute to the personal popularity of Prime Minister Yasuhiro Nakasone, the party's president, and also a redemption. The previous election, in December, 1983, followed the ouster of former law prime minister and party power broker Kakuei Tanaka to four years in jail for accepting \$2 million (U.S.) in bribes from California-based Lockheed Corp. Voters reacted to the disaster by giving the party only 260 seats, forcing the LDP into a coalition with the New Liberal Club. For his part, Nakasone, 68, attributed his party's return last week to the supernatural. Declaring the prime minister "I" was the voice of heaven, at the podium.

Nakasone may soon have reason again to hope for divine intervention. Although he may be at the peak of his popularity, many experts say that he may not survive as prime minister until 1987. Since 1972, LDP presidents, who automatically become prime ministers because of the party's electoral superiority, have been restricted by party regulations to two consecutive two-year terms. Nakasone's second term as party leader expires in October and, de-

spite his desire to serve a third term, internal party power struggles make that unlikely.

Traditionally, a candidate is chosen LDP president because of the strength of his faction within the party rather than electoral popularity or competence in office. And although Nakasone's power base within the LDP has been strengthened by the recent election results, it is still dwarfed by that of Tanaka and his followers. Two likely contenders for the post are LDP vice-president Susumu Okada and Finance Minister Noboru Takashita, both Tanaka protégés. Meanwhile, Foreign Minister Shintaro Abe announced his intention to seek the presidency, and former foreign minister Kiichi Miyazawa is reportedly also engaged in a backroom leadership bid.

Some experts say that no single candidate has sufficient support to win the party presidency. As a result, says political analyst Kiuchi Kishimoto, the strongest contenders will likely decide among themselves which one of them should be the next prime minister. As for Nakasone, Kishimoto predicts that he will at most be given a short extension of his term to ensure passage of a bill to privatize the debt-ridden Japanese National Railways. For a post-prime minister who has impressed foreign heads of state with his eloquence and forthright manner, it would be an abrupt end to an accomplished career.

—PETER MULLA in Tokyo

AUSTRIA

A question about trust

A few members of the majority Socialist party applauded. The rest stood in stoic-faced silence in the Austrian parliament as the opposition conservative People's party members loudly cheered the inauguration of President Kurt Waldheim. The new head of state began his six-year term last week with a speech denouncing the "horror of the Holocaust." But the words had a hollow ring. Throughout the four-month presidential campaign, the World Jewish Congress (WJC) produced evidence that Waldheim had obscured his past as an intelligence officer in a Second World War German army unit that was held responsible for atrocities against Jews and Yugoslavs. Also in Vienna, in front of about 1,000 people protesting the inauguration of the man who was named as "The Candidate Trusted by the World," a sculptor unveiled a bronze horse-like statue adorned with protest—a pointed reference to Waldheim's war record. Its title: "The Horse Trusted by the World."

Waldheim, the United Nations secretary general from 1972 to 1982, has insisted that he was innocent of any war crimes. But the accusations have cost a poll over his presidency. In fact, the ambassadors of the United States, the Soviet Union, Yugoslavia and Israel—which withdrew its representation after the June 8 election—were conspicuous absent from the inauguration. Although Canada's ambassador, Michael Stenhouse, did attend. And only a day before, the WJC released what it said was a German army document showing that Waldheim's intelligence unit ordered 2,300 Greek Jews deported to the Auschwitz death camp in Poland.

Yet efforts by the Austrian People's party to characterize the WJC campaign as foreign meddling in the country's domestic politics clearly struck a chord with Austrians, who gave Waldheim 54 per cent of the vote in his runoff election last month against Socialist candidate Kurt Sloyer. In his inaugural address, Waldheim declared, "Every one of us citizens should be treated as a brother or sister." But the streets of Vienna were marked by an ugly mood, as insults from colorists greeted six protesters wearing the striped gary uniforms of concentration camp victims. Among the chiding yells: "They should all have been gassed!"



Golden Opportunity

Tall. Short. Mixed. On the rocks. Nothing enriches a drink like the rich, smooth taste of Bacardi Amber.

For a free food and drink recipe booklet, write FRM Distillery Co. Ltd., P.O. Box 365, Brampton, Ontario L6Y 2L3.

Presented here for the first time, is the Mitsubishi CR-3501C featuring the world's largest colour picture tube. Until now, such technology was difficult to imagine, creating an incredible 86% greater viewing area with all the colour, detail and excellent off-angle viewing you've come to expect from the finest 26 inch set.

The very dimensions of the picture tube are remarkable enough. In addition Mitsubishi is offering this colour

picture in the newest, most-sought-after full, square format. As a result, the viewing area of this 37 inch picture tube is maximized by eliminating old-fashioned round corners in favour of square ones.

Not less Mitsubishi overloaded any detail in investing the CR-3501C with the latest feature technology. Consider the 125 channel frequency synthesized tuner that places 41 functions in the palm of your hand.

stereo television broadcast circuitry is built in and the set offers a choice of

top-mounted full range speakers or 4 two-mounted speakers (2 woofers, 2 tweeters).

Channel memory facilitates tuning to favourite, most-viewed channels. Quick View lets you check a second channel before returning to the one being watched. There is an on screen mode display for colour, tint and brightness. You can even use a home computer or this enormous screen through the RGB input provided.

Everything considered, the Mitsubishi CR-3501C represents literally the biggest and best in colour television technology available today.

MITSUBISHI
Solving the mysteries of technology

Mitsubishi Electric Canada Inc. 6900 Midland Avenue,
Markham, Ontario L3R 9Y2

At last, a 37 inch
colour picture tube.



GLOBAL NOTES

ISRAEL

Damning disclosures



Shamir admission

A smoldering political scandal over the 1981 bombing deaths of two Palestinian bus hijackers, while in the custody of Shin Bet, the Israeli domestic security service, showed signs of boiling over last week. First, Foreign Minister Yitzhak Shamir admitted that he had told Avraham Shalom, the Shin Bet chief who resigned last month in exchange for immunity from prosecution—to ensure that Palestinian hostage takers were killed in the heat of

combat, although Shamir denied that he had sanctioned the killing of captured guerrillas. Then, in a sworn affidavit to Israel's supreme court, Shalom said that in his request for a presidential pardon, he admitted ordering the deaths of the bus hijackers. Shalom also said he had acted "with persuasion and not coercion" of his superiors—an apparent admission to Shamir, who was prime minister at the time of the killings. Despite nearly two months of government efforts to avert a police probe into Shin Bet's role in the killings, observers said an investigation is now inevitable.

MEXICO

Allegations of fraud

Confusing its 50-year domination of Mexican politics, the anomalously named Institutional Revolutionary Party (PRI) last week swept local elections in the key northern state of Chihuahua. The PRI retained the governorship and secured nearly all the municipal prize races except for its shattering, right-wing National Action Party (PAN). But the PRI's wide margin of victory—announced just one hour after the close of the polls on July 6—led to opposition charges of rigged voting lists, intimidation of PAN owners and stuffed ballot boxes. Observers said that Chihuahua is important to the ruling party because the level of PAN support there threatens to end the PRI's stronghold on local and national politics since 1929. "PAN supporters here were voting not so much for a party as the right to choose," said Jaime Pineda Mendez, regional director of the independent daily *Quinto Sol* Chihuahua, "they were denied that choice." Opposition leaders last week threatened to paralyze the state with protests and blockades of the U.S. border if the vote is not annulled.

FRANCE

A verdict on terror

Nine months after the hijacking of the Italian cruise ship *Achille Lauro* by Palestinian terrorists off the coast of Sicily, two judges and six jury members in Genoa reached a verdict last week. Six defendants were found guilty of "carrying out a kidnapping with terrorist intent, leading to the death of a hostage." During the two-day incident last October American passenger Leon Klinghoffer, 68, was shot to death and his body thrown overboard. The court sentenced three aboard

aboard—including Abdul Abbas, the reputed mastermind behind the takeover—to life imprisonment. The three captured terrorists who actually carried out the hijacking were given jail terms ranging from 15 to 30 years. Five defendants were sentenced to between six months and 7½ years, while four others were acquitted. In New York, Klinghoffer's daughters, Lisa and Tina, said they were outraged by the verdict. They said they would petition Washington to extradite the three accused hijackers for trial in the United States. "If the Italian government can't do the right thing," said Lisa, "we hope our government will step in."

MALAYSIA

Harsh justice

Despite international pleas for clemency, Australian Brian Chambers and Kevin Barlow last week became the first Westerners to be executed in Malaysia for a drug offense. Shortly before dawn on Kuala Lumpur's Felda jail, the two men were hanged in accordance with 1953 drug laws that prescribe death for anyone convicted of having more than 15 grams of heroin. Chambers and Barlow were arrested in 1983 with 380 grams of the narcotic. The hangings provoked a storm of protest by world leaders and the human rights group Amnesty International, which accused Malaysia of breaking United Nations covenants that ban executions while a mercy plea is pending in the courts. "No one, it will never be anything other than murder," said Barlow's mother, Barbara. But prison guard Karim Abu Saman, referring to 36 previous hangings of mostly Southeast Asians for drug offenses, praised the executions. "The government has done the right thing," said Saman. "We've got to show the world that Malaysia can't differentiate between locals and foreigners in enforcing its laws."

NEW ZEALAND

Settling accounts



Lange: 'Fair and Just'

France held its as a retirement of its military duty, and New Zealand Prime Minister David Lange called it "fair and just." Last week United Nations Secretary General Javier Perez de Cuellar announced a settlement in the Rainbow Warrior affair—the diplomatic clash between Paris and Wellington following the sinking of the Greenpeace ship *Rainbow Warrior* in docked harbor last July. Two French secret agents seized the ship, which was preparing to protest French nuclear testing in Moruroa Atoll, inadvertently killing one crew member. Last week France agreed to apologize for the incident and pay \$1 million (U.S.) compensation in return for releasing *Mya Aitken Mafai* and Capt. Dominique Prieux, who will be confined for three years at a French military base in the South Pacific. But some observers said the settlement could lead to a domestic political crisis for Lange. Opposition politicians denounced the deal as a sellout, while the daily *New Zealand Herald* labeled it "a radical transaction."

MOSCOW'S NEW LOOK

COVER/SPECIAL REPORT

At the 27th Communist Party Congress in Moscow last February, Soviet leader Mikhail Gorbachev stood to present an image of efficiency and respectability. The new general secretary pledged to transform "all spheres of life," including the shrunken economy and the moribund leadership. Last week the Kremlin exhibited signs of its new openness as French President François Mitterrand met with Gorbachev to discuss arms control, human rights and a second U.S.-Soviet summit. Maclean's London bureau chief Sam Lowe recently returned from a three-week tour to assess the changing face of the Soviet Union. His report.

On a warm and busy Friday evening, several dozen people out for a stroll gathered around a pair of television cameras in a park in downtown Volgograd, formerly known as Stalingrad, 500 km southeast of Moscow. As birds twittered overhead, TV host Tatyana Rykova passed through the crowd with a microphone, encouraging citizens of the industrial city to speak out on the subject of their choice for a live broadcast of the monthly current affairs pro-

gram *Gosudarstven*. "I am proud to be a Russian," an earnest young man declared, "but why can't we produce a pair of jeans that is equal in quality to the U.S. brand?" A tall, gaunt university student complained of a sudden shortage of concrete while he worked on a Siberian construction project. "The only way we could get more," he explained, "was to bribe the foreman with vodka."

The show's format is a novel one for the normally bland Soviet media. And

the Western-style frankness marks a profound change in the Soviet Union's political climate. In the 16 months since he became leader of the all-powerful Soviet Communist Party, Mikhail Gorbachev has unleashed a political, economic and social revolution. The 52-year-old leader has unconsciously shed accents of old-guard apparition and replaced them with his own logos. And he has launched a full-scale assault on the state bureaucracy, shaking up several key ministries and giving greater autonomy to local state and party officials.

Contrast. Gorbachev has also rejuvenated Soviet foreign policy, giving it a more aggressive tone (page 28). An official in the ministry of foreign affairs explained, "Fresher than simply producing propaganda, we are becoming more activist." Motivated at least partly by the need to reduce the hefty expenditures that sap about 14 per cent of the country's estimated \$1.6-trillion gross national product, Gorbachev has promoted arms control by declaring a moratorium on the deployment—and then a reduction in the number of medium-range missiles in Europe, as well as a suspension of nuclear tests.

Soviet propaganda has also become more subtle and inventive. For one thing, Moscow agreed to host the \$300-million (U.S.) Goodwill Games with Atlanta, Ga., entrepreneur Ted Turner, owner of the Cable News Network (page 44). The financially troubled games—Turner stands to lose between \$10 million and \$20 million on promoting the event—have failed to generate much enthusiasm in the West. Instead, they have stirred controversy: The U.S. defense department forbade 32 armed forces bases to attend, and the Soviets barred South Korea, which they do not recognize, from participating. In spite of that, Gorbachev's message to the world was clear: in the interests of peace, the Soviet Union has provided athletes—3,500 from 60 countries—with a competition free of the political tensions and boogymen that marred the 1980 and 1984 Olympic Games.

Reforms. Above all, Gorbachev has attempted to breathe new life into the stagnant Soviet economy—in part by borrowing such free-enterprise principles as the profit incentive and a pricing system that takes into account supply and demand. But for the most part, the pace of Gorbachev's reform program is significantly slow. And there is no sign whatsoever that the Soviet leader intends to marry his forward-looking economic policies with a loosening of the country's suffocating controls on dissidents who challenge the Soviet political system (page 30). Still, after enduring years of government by such fear, hard-fisted men as



Robertovich, predecessor, Konstantin Chernenko, who died in March 1985, at the age of 73, many ordinary Soviets seem genuinely pleased by the new spirit of reform emanating from the Kremlin.

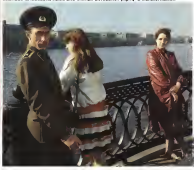
The upshot most is evident among the shoppers on Arbat Street in Moscow, where the ornate buildings have been removed to their 19th- and 18th-century splendor. A 35-year-old electrical engineer visiting from Omsk, 100 km southeast of the Soviet capital, declared: "In the past the people at the highest levels never paid enough attention to our problems. Instead of just words, today we have concrete actions." One 32-year-old Muscovite added, "There is less bureaucracy and more concern with making life better for people."

Reforms. By comparison with the advanced industrialized countries, living standards in the Soviet Union are still shockingly low. Although the bare essentials of life—food, shelter, education and medical care—are either free or heavily subsidized, meat, vegetables, fruit and most dairy products are in chronically short supply. At the state-operated *Gostumark* and stores on Moscow's Kalinin Prospekt, housewives line up daily for party rations and other foodstuffs. This scene is part of life for most Soviets. Indeed, in several provincial cities, including Gorky, Leningrad and Novosibirsk, squatters have introduced formal food rationing at the urging of two-income couples who complained that by the time they finished work each evening, most store shelves had already been picked clean by do-it-yourself shoppers.

And when most Soviets return home from the factory or shopping, it is usually to a cramped, poorly furnished apartment in the drab residential districts that dominate the country's cities. Even new housing does not necessarily guarantee more comfortable surroundings in the sprawling, satellite towns that surround the capital. Apartment houses built during the construction boom prior to the 1980 Moscow Olympic Games already show signs of premature decay. And authorities acknowledge that hundreds of thousands of young families are forced to live with friends or relatives, sometimes waiting years for an apartment.

Acceleration. While Western countries are making the rounds in productivity and efficiency of the high-technology revolution, the Soviet Union lags far behind. On the road to Peredelino—a small town 40 km southeast of Moscow—and in other rural areas, some farmers still haul cartloads of produce to market by hand because of a shortage of tractors. Computers and pocket calculators are al-

Interlude in Moscow: Raisa and Mikhail Gorbachev (right) in a Trans-Kaukasus



new member to be seen. In fact, many retail and clerical workers still depend on the shops—even in the coffee shop of Moscow's modern Belgrade Hotel—and the manual typewriter.

Gorbachev's second intention is to end that economic and technological backwardness. To prepare the socialist superpower for the challenges of the 21st century, he has vowed to modernize Soviet industry and improve the standard of living by speeding up production of consumer goods. "Implementation of the policy of acceleration will have far-reaching consequences for the destiny of our motherland," he declared to 5,000 delegates at the 27th Communist Party Congress in Moscow last February. Added Gorbachev: "Acceleration of the country's socio-economic development is the key to all our problems."

Shakeup: Gorbachev—the youngest man to take charge of the country since Josef Stalin became secretary general of the Communist Party at 46 in 1929—is by no means the first Soviet leader to regard a rise in Soviet living standards as a powerful propaganda tool in the struggle against the West. Soviet children are taught that Marxism-Leninism principle ensures that ordinary workers enjoy a better life than they could hope for under capitalist exploitation. That picture is reinforced by Soviet media reports that dwell on poverty and corruption, particularly in the United States. Still, their sporadic contacts with Western culture have convinced many Soviets that the reality is far different.

In fact, many of them recall with cynicism a promise made 35 years ago by then-Soviet leader Nikita Khrushchev. Khrushchev, replaced in 1964 by Leonid Brezhnev who ruled the country for 18 years until his death in 1982, boasted that the Soviet Union would surpass the United States in economic strength by 1980. But if Gorbachev's performance to date is any indication, Soviet citizens can expect a top-to-bottom shakeup of the economy. One measure of Gorbachev's aggressiveness and his ability to get what he wants is the speed with which he has consolidated his authority.

Unraveling: Previous Soviet leaders, including Stalin, Khrushchev and Brezhnev, took several years to weed their opponents out of the machinery of policymaking and government. But Gorbachev has already put his stamp on the Politburo by retiring three Politburo-era appointees: Yuriy Yegorov, the former Communist Party chief in Leningrad, Nikolai Tikhonov, the former prime minister, and Viktor Grushin, the former Moscow Party chief. In their place, the Soviet leader promoted five of his own men to the 19-member body.

The bossdominating has also extended deep into the vast and unwieldy state apparatus, where Gorbachev's policies will ultimately face their most serious test. To ensure that his decisions are not frustrated by recalcitrant bureaucrats, the new leader has dismantled more than 40 of the 113 heads of departments and state agencies, as well as 45 of the 156 regional party secretaries. As Gorbachev himself has put it, those who do not intend to adjust must "get out of the way."



Harvesting grain in the Tskhatal district as an attempt to enhance the nation

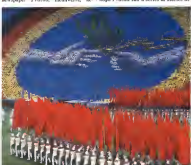
The catchword used by Soviet officials to sum up Gorbachev's campaign is *glasnost*, or openness. In effect, the new regime appears to be admitting that in the past the ruling elite overreacted in its suppression of unpleasant truths, often distorting the facts in a clumsy attempt to make things appear better than they are. Such transparent attempts to falsify information simply encouraged people to disbelieve everything given to them by

the official media—even when the story in question happened to be true.

In a striking effort to reduce the credibility gap, Gorbachev has promised that from now on Soviet journalists will report the bad news as well as the good. That negated habits he had. For two days after the April 26 accident that destroyed a nuclear reactor at the Chernobyl power station in the Ukraine, Soviet officials refused to respond to Western news reports of a major nuclear disaster. Later, when the evidence be-

came clear, Gorbachev quickly reversed to the time-honored tradition of struggling to conceal problems behind a blanket of good official and turgid ideological propaganda.

By contrast, the new regime seems to believe that exposing the system's flaws in the first year toward correcting them. This result has been a veritable torrent of press reports attacking complacency, privilege and corruption. In January, the Moscow daily *Natsionalnaya Pravda* ran a series of stories at-



Quelling old memories of the Goodwill Games, Andropov (below) "change was long overdue"

knowledge that delays in reporting the accident had fostered gossip and alarm. Quoting one widely circulated rumor, that government shops in the Ukrainian capital of Kiev were hoarding shipments of vodka (and with it wine to prevent radiation sickness), *Pravda* condemned official secrecy: "It is necessary to trust people."

Like many of Gorbachev's policies, the campaign to overhaul the propaganda apparatus actually originated during Yuriy Andropov's 18-month term as Soviet leader. One of the first speeches the former KGB chief made after he took power in November, 1982, was widely praised in the Soviet Union for its hard-hitting language and blistering criticism of shortcomings in the Soviet system, that after Andropov's death in February, 1984, his suc-

cessor, Viktor Grishin, the man who for 18 years ran the Communist Party organization in Moscow until Gorbachev fired him out of office last year at age 71. But the paper also used the occasion to condemn other apparatchiks who had prospered under Grishin. Quoting Grishin's successor, Boris Yeltsin, 55, the newspaper said that many local party officials were corrupt and had not themselves

above criticism. Declared Yeltsin, an engineer who emerged from obscurity to become one of the Kremlin's closest "fixing stars": "If we can't bring in honest people, we will never get rid of shortages and artificially created deficits."

Struggle: The anticorruption campaign has also taken to the streets. Private investigators targeted Moscow's taxi drivers, whose pale grey the new *Wagon* cars ply the

capital's polluted streets. For years the drivers have been one of the city's highest-paid employees. That investigation showed that cabbies routinely paid bribes to supervisors, in return for the opportunity to make as much as 100 rubles—about \$200 at the official and highly inflated exchange rate—for a single, unreported, illegal income. Last month 30 senior city transport officials were sentenced to up to 10 years in jail for their part in the fraud, which authorities said involved more than 160 million rubles a year.

Other, attacks on corruption and abuse of privilege are aimed directly at the 19 million members of the Soviet Communist Party. Recently, *Pravda* started a minor controversy by publishing several readers' letters calling for the abolition of official benefits for higher-ranking party members. Among these perks: the special shops where officials can buy usually unobtainable foreign cars, imported liquor and exotic foods. And in his February speech to the party congress, Gorbachev himself complained of widespread enrichment and bribery in the Central Asian republic of Uzbekistan. "The masses are tired of the party wants to maintain its legitimacy it has to clean up its act," one Western diplomat told *Armenia*'s.

Drunkenness: In tandem with the crackdown on corruption, Gorbachev has launched a widely publicized campaign against alcoholism. Official statistics are alarming: alcoholism is officially blamed for 90 per cent of murders, more than half of all thefts and two-thirds of firm-life expenditures, which peaked at 16.5 billion rubles since 1962 to 82—large part, analysts say, because of excessive drinking. Not content merely to inveigh against the harmful effects of alcohol, the new regime has eased the legal drinking age from 18 to 21. The number of state liquor stores has been drastically reduced, and those that remain are not allowed to open until 2 p.m.—three hours later than previously. By last week, 250 distilleries, wineries and breweries have been shut down or converted to produce nonalcoholic beverages. A fine of \$40 is imposed for public drunkenness, and repeat offenders are sent to a labor camp for two months and suffer a 20-per-cent cut in salary.

Some Soviets publicly applauded the new measures. "I wish they had done it years ago," said a 28-year-old woman in Volgograd. "There are fewer drinks on the street." But others complain bitterly about long lines that form outside liquor stores before the 2 p.m. opening. Prices are higher now, too: a half-liter bottle of vodka costs the equivalent of about \$35, 30 per cent more than it did a year ago. One Kos-



sign resident of Moscow said that he had recently received several telephone calls from Soviet acquaintances who pleaded with him to buy vodka in the special hard-currency stores that are off limits to most Soviets. He added: "I turned out that supplies of the stuff had completely dried up in the regular shops."

Accountability: But the most important of Gorbachev's initiatives may well be his promise to revitalize his country's ailing, centrally planned economy. His attempts to root out cor-

rupt years later—it is hardly surprising that the Soviet leader should be reluctant to tamper with its fundamental structure.

Still, within that limited context Gorbachev has already shown that he is not afraid to experiment with new ideas for spurring production—even if some of them look surprisingly like the thin edge of the wedge of capitalism. Georgi Arbatov, director of Moscow's Institute for U.S. and Canadian Studies and one of Gorbachev's closest advisers, told Moscow's "If someone had

promised to the top mark they stopped working as hard because there was no longer any incentive. Now, following a directive from the Soviet Academy of Sciences, the old two-tier structure has been replaced by a system of five different rankings, with monthly salaries ranging from \$80 to more than \$1,000, said Arbatov. "All of a sudden everyone is working to a higher standard."

Targets: Similar reforms are being tried in other fields. But higher salaries by themselves can do little to pull the Soviet economy out of its malaise.



Lineup for food in Yalta: shortages, cramped apartments and idleness in the way of creature comforts

ruption and to curtail drinking are themselves manifestations of the new regime's desire to galvanize the country into action. As one Western observer in Moscow put it: "I prefer to describe Gorbachev more as a disciplinarian rather than as a true reformer. He wants people to work harder and to root out inefficiency in the system. But he thinks that the system itself is all right."

In fact, nobody outside the Kremlin really knows how far the new leadership is willing to go toward relaxing central control of the economy. Gorbachev himself has indicated that there would be no retreat from the principles of planned guidance—only a change in its methods. Some observers believe that the Soviet leader has deliberately avoided ruffling the feathers of ideological hard-liners. But as a product of the Soviet system—Gorbachev entered the bureaucracy at 24, joined the Central Committee in 1973 and became secretary for agriculture

only 18 months ago—what sort of measures were about to be introduced, it wouldn't have believed it was possible. But change was long overdue."

Of all of these changes, none is more radical—and potentially far-reaching—than Gorbachev's attempt to build more accountability into the Soviet economy. For one thing, the Soviet leader has grown a major expansion in the country's limited system of bonus incentives—a clear break from the past practice of paying roughly the same salary to everyone who performed the same task. Said Boris Alekhin, a senior economist in Arbatov's institute: "In the past there was often no mechanism for rewarding people who worked better."

Incentives: Experience at the institute itself illustrates the problem. Alekhin told Moscow's "Until a few months ago the 180 specialists in Arbatov's institute—be either junior or senior researchers. Unfortunately, said Alekhin, as soon as some people were

One reason there are still far too few consumer products or sale. And relatively few Soviets have the connections necessary to ensure access to limited stocks. Instead, they plot their meagre earnings—per capita annual income in the Soviet Union is about \$4,000—into state savings banks, which in 1983 held more than 3207 billion rubles. Said one Kiev resident: "Why should we try to increase our incomes when there is nothing to spend it on?"

Gorbachev's response has been to encourage factories to manufacture a wider range of consumer goods, if necessary by lowering production of heavy machinery. Skeptics note that it is not the first time that a Soviet leader has promised a dramatic shift in industrial production. After consumer needs in neighboring Poland in 1970, Brezhnev made a year-long campaign to stimulate the market with consumer goods—to little avail. The slow pace of change is evident in Kiev at the Gorki

Machinsky plant, which manufactures high-speed drills and lathes. Stanislav Vlasovskis, the 32-year-old trade union chairman, acknowledged that consumer goods have made up only five per cent of his factory's production. But now, added Vlasovskis, "we are in the future is to increase that to 50 per cent." Among the products being manufactured are stands for television sets and children's toys.

Gorbachev has also shown signs of recognizing another major problem of central planning: Moscow's obsession

with the desired quantity. If the supplier failed to fulfill its obligation, it could be fined—or even closed down. Said Albin Engelmeyer, a ministry of foreign trade senior official: "To an extent, the system would resemble what is done in the West. The difference is that decisions will be taken by the society as a whole."

Another type of contract already widely used on Soviet farms was initiated in 1980 when Gorbachev was secretary for agriculture. Previously, each peasant on a farm was assigned



Models showing Soviet design: manufacturing a wider range of consumer goods

with setting production targets. Every aspect of the economy has "a very meagre, quarterly or annual plan. Certain factories must produce a certain number of cars, books must sell set numbers of newspapers and packs of cigarettes. The system has reduced dramatic economic growth—but it has also squeezed waste and a deterioration of quality control in factories rush to meet the quotas assigned to them. Admitted Leonid Vil, deputy head of Gosplan, the state planning committee: "Factories are producing goods that nobody wants."

Contracts: Soviet authorities are experimenting with a variety of measures to overcome that problem. The simplest way is to insist that shoddy or defective items are not counted as part of a factory's total output. But a more radical step involves the use of contracts between individual enterprises. The managers of a dress factory, for instance, say they agreed for the best supplier of fabric and then enter into a contract

a specific task, an arrangement that reduced individual responsibility for poor harvests. The new system, now practiced at 60 per cent of Soviet state and collective farms, divides workers into brigades of as many as 15 or 20 peasants. Each brigade then signs an annual contract to carry out the duties necessary to bring a crop to market.

For farm workers, the contract system offers the prospect of year-end bonuses if they brigade exceeds the contracted yield. On the Tigranovsky state farm, a sprawling collective 66 km. south of Volgograd, 48-year-old Mikhail Gudim Burdakov says that she was one of those who benefited last year, because the production of cows under her care exceeded the number in the contract. As a reward, each of the four women on her team received \$1,000, equal to one month's salary. "Now that has made me a better person," Burdakov says. "We all find that we are working harder."

Despite such improvements, food production remains one of the most critical links in the economy. The government plans some \$110 billion a year state subsidies to spur production and hold down prices to consumers. But foodstuffs still comprise more than a third of the Soviet Union's yearly trade with other countries, putting a severe strain on the country's precious reserves of hard currency. Those statistics, though, mask impressive gains. According to state statistics, since 1970 the per capita consumption of meat has increased by 25 per cent, vegetables by 36 per cent and fruit by 29 per cent.

Techniques: Many experts say that in the long run the best hope for Soviet agriculture lies in wider use of modern farming techniques. Currently, about 40 per cent of all grain sown in the Soviet Union receives no fertilizer. In addition, many farms are behind in need of pesticides, herbicides and better tillage and sowing equipment. But fertilizer production was up 17 per cent during the first four months of 1984—a sign that the new leadership considers farming a priority. Said a Moscow-based Western agricultural expert, himself an expert on Soviet agriculture: "I don't think the West will appreciate what Gorbachev's agricultural reforms mean. Unless there are serious weather problems in the next few years, we're going to see a significant increase in food production."

Yet, for every expert who thinks Gorbachev's drive for efficiency will succeed, there are others who predict that his policies will sink into the bureaucratic quagmire. His authority, it is said, is beyond doubt, but Soviet officials at all levels are not known for their willingness to disobey orders. But if a new policy departs from an established pattern it can easily go astray in the machinery of state, where resistance to change is a particularly way of life.

Impetus: Shortly before his death, Gorbachev himself spoke of the need to proceed cautiously when he quoted an old Russian proverb: "It is the effect that is a danger, not the intention." And seven times before retiring it. Gorbachev's approach to the Soviet Union's problems has been decidedly less conservative. But although he emphasizes worker incentives, flexible pricing and greater autonomy for local industry in order to prod the economy out of its lethargy, he asserts that the system itself is fundamentally sound. His patience is not only prudent but understandable. At 55, he has already left the Soviet Union's political arena with no serious challenge to his authority on the horizon. Gorbachev may well remain in power for many years—long enough, perhaps, to see at least some of his cherished dreams transformed into reality.



Mitterrand and Gorbachev: Reagan better relations but few real achievements

A DIFFERENCE IN STYLE

SPECIAL REPORT

When French President François Mitterrand flew to Moscow last week for three days of talks with Mikhail Gorbachev about arms control and the prospects for a second U.S.-Soviet summit, there was speculation that some new initiative might soon be forthcoming from the Soviet leader. Mitterrand's previous international stop had been in New York, where he met with President Ronald Reagan during the July 4 rededication of the Statue of Liberty. But last week, at the end of the Moscow talks, the French president's message was not positive. If there is to be a 1986 summit, Mitterrand said, "diplomacy will have a lot of work to do."

Caution: The intransigent atmosphere of the Mitterrand-Gorbachev meeting reflected the uncertainty that surrounds the Soviet leader's approach to foreign affairs. Since Gorbachev assumed power 16 months ago, his personal public manner and his apparent candor have encouraged the development of friendly East-West relations. But there have been few concrete achievements in arms control, even Soviet military involvement in Afghanistan or on poorer countries

between Moscow and Washington in the Middle East, Africa and Central America. Most Western observers say that the chief difference between Gorbachev and his predecessors so far has been one of style, not substance.

Ambitions: Still, some analysts claim to see real change—or at least the promise of it. Oxford University political scientist Archie Brown argues that Gorbachev has announced Soviet foreign policy to find out how it might be changed in order to achieve his ambitious plans for domestic economic reforms. By spending less on arms, Gorbachev would be able to divert resources to the improvement of Soviet living standards. Brown, writing in the current issue of the journal *Foreign Affairs*, concluded, "Thus far, the military has been kept in a very subordinate position." In evidence, Brown cited the diminished role in the Politburo of Defense Minister Sergei So-



lov and Gorbachev's "expressed willingness to compromise in arms control and public acceptance of monitoring and verification." U.S. Secretary of State George Shultz is said to be among those who believe that Gorbachev has no real Soviet hopes for a better standard of living that he is, in fact, under great pressure to shift the emphasis from guns to butter.

Opposition: Others are more skeptical of Moscow's stand on arms control. West German foreign office aide Reinhardt Böttger says that Moscow's "most recent Soviet disarmament proposals—including a moratorium on nuclear tests and a reduction in medium-range missiles in 'highly substantial' But, added Böttger, there was "often a gap between Gorbachev's proposals and what Soviet negotiators are prepared to put forward. This could indicate either there is opposition within the Kremlin to his initiatives or that the construction lines are faulty." In sum, that he is trusting too fast for the cart to keep up."

Commented Dutch foreign ministry spokesman Jan Jansen-Roelants: "We have created a feeling that something has changed, but we are still waiting for proof that the Soviets have dropped their oil apple to drive a wedge between Europe and the United States."

While Reagan has said that the latest Soviet arms control posture made him optimistic that there would be a summit

"where we can reach agreement on some of the goals we share," U.S. observers have reacted coolly. "I haven't seen any evidence of real change," said James Townsend of the Georgetown University Soviet studies program. "I wait for things to percolate into action and not much has happened." That view was shared by Christopher Coe, a Soviet expert on the staff of the U.S. congressional house foreign affairs committee.

"In terms of style, Gorbachev is remarkably different," Coe says. "He uses the tools of public relations, and he is more dynamic and forceful in terms of rapport with the press. In substantive issues, there

WHICH 35MM CAMERA TOOK THIS PHOTOGRAPH?





This lens gives you sharp images with virtually no optical distortion. And its longer focal length makes it ideal for landscapes as well as portrait and group shots.

And the camera's special audio-signaling self-timer lets you not only take those group shots but be in them as well.

Outdoors or indoors, the unique Spectra fill-flash helps eliminate the shadows that have marred your pictures in the past.

And since life doesn't stand still waiting for a flash to be ready, ours can usually recycle in less than one second.

The camera's sophisticated auto-exposure system measures light you can't even see.

But you definitely see the results. Pictures that are more evenly exposed. And skin tones that are remarkably true to life.



Produced from actual, unmounted Spectra photographs

NONE. IT WAS TAKEN WITH THE NEW POLAROID SPECTRA SYSTEM.

Introducing a revolutionary photographic system that captures reality in a way we've never done before. The Polaroid Spectra System.

THE CAMERA

THE VERY PICTURE OF HIGH TECHNOLOGY

The Spectra camera's sleek, remarkable exterior is matched by an equally remarkable interior.

An interior filled with electronic and optical innovations. All of which make picture-taking completely automatic.

Press the shutter release, and in fractions of a second, the Spectra autofocus system snaps the exclusive 125 mm Quantix lens into precise focus.



The Spectra control panel allows you to override the flash or the automatic exposure system and manually set exposure.

Your ears can also help you take a better picture. Because the Spectra camera has a built-in audio-signal system.

It chimes in when you're too close to your subject. When there's not enough available light and you need flash. Or if the camera runs out of film.

THE FILM

18 MICRO-THIN LAYERS FOR BRILLIANT PHOTOGRAPHS

The Spectra film's new larger rectangular format will greatly increase your picture-taking options. And its revolutionary new dye chemistry greatly increases color quality.

You get instant pictures with more vibrant

blues, brighter yellows and greens, deeper reds, truer whites, incredibly accurate pastels.

And more background detail than ever before. Pictures so sharp, so lifelike and so full of detail that we guarantee them.

Like all true photographic systems, Spectra has a series of optional accessories that maximize your picture-taking options. But there's more to the Spectra System than just taking great pictures.

Using the latest in laser and computer technology, we've developed a new copy system that produces oversized, borderless laser reprints of your Spectra photographs.

Reprints with virtually no difference in overall quality

from your original.

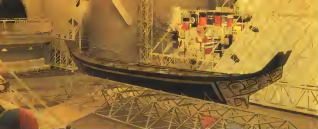
And they're available in sizes up to 11"x14." By now it should be obvious just how extraordinary the new Polaroid Spectra System is. But if you're still skeptical, take a photograph with one.

The picture will speak for itself.

Polaroid Spectra System

WE TAKE YOUR PICTURES SERIOUSLY





CANADA IN MOTION: Above, the classic Haida freighter, built in 1954, is being repaired at the Canadian Pacific Railway yard in Vancouver, British Columbia. Below, details of the painted bow and stern.



Since our earliest beginnings, an inspired tradition

In the early days of Canada's development, the Haida Indians of the Pacific Northwest met the challenge of their transportation needs with ingenuity and grace. Today, in our complex world that same tradition prevails.

As an official sponsor of the Canada Pavilion, Royal LePage is proud to present the Haida Canoe—a tribute to the tremendous achievements made in the realm of transportation during the course of our country's history.

ROYAL LePAGE

has been a spate of arms control proposals and thus in some different from the historical norm. But in other respects, policy has yet to become clear.

In its policy toward Canada, Moscow has been vocal. A Soviet foreign affairs official noted that Canada has special interest in Moscow because it is the Soviet Union's "neighbor to the north." The official added that, while the Mikoyan government's push for improved relations with Washington was no surprise in Moscow, the Soviets "took a dim

SPECIAL REPORT

in Eastern Europe during Gorbachev's tenure." And if that happens, said Meyer, the Soviet leader will respond "with brutal force."

Placidity: On the other hand, Warsaw-based analyst J.B. de Weydenthal said in a commentary on last month's Warsaw Pact meeting in Budapest that Gorbachev looked as though he would emerge "as a much more effective manager of the alliance than any of his predecessors." At Budapest, said de Weydenthal, Gorbachev appeared

more confident, told Maclean's. "Gorbachev is confirming old policies with new vigor but he is avoiding new commitments of resources. For example, the Soviet role has been questioned with respect to Central America and the Caribbean. He believes the best way to support revolutionary change in the world is to develop the Soviet Union's own system—he wants to set the example at home."

At home, Gorbachev probably has made the move that will have the most profound effect on Soviet foreign policy. Earlier this year he recalled the Soviet Union's 60-year-old ambassador to Washington, Anatoly Dobrynin, after 24 years Gorbachev appointed Dobrynin, Moscow's primary expert on the United States, as head of the international department of the Communist Party. U.S. experts say that, in effect, Dobrynin has become Gorbachev's national security adviser. Mark Garmen, former deputy chief of mission at the U.S. Embassy in Moscow and now head of a foreign policy research center at Brown University in Providence, R.I., told Maclean's: "Soviet foreign policy has changed compared to the Brezhnev era. Gorbachev is taking a hard look at national



Afghan rebels, with Soviet tank, shelling the elephants from guns to buffer

practices in making sure there is no nuclear confrontation." Because of that, said Garmen, Dobrynin's appointment was significant because it meant that Soviet foreign policy would now be weighed in the light of its probable impact on U.S.-Soviet relations.

Unraveled: Gorbachev's move agreed on the importance of Dobrynin's appointment. Said Brown: "Dobrynin not only influences in doing business with the United States but also sees the Soviet relationship with the United States as central. Dobrynin carries into the inner circle of Soviet foreign policy function an unraveled knowledge of what might play in Washington." But it is likely that another Reagan-Gorbachev summit is far off when Moscow does with the advice of its man from Washington.

view" of Gorbachev's support for the U.S. attack on Libya in April. "Canada's position in the world would be enhanced if it were more outspoken and did not always fear an adverse reaction on the part of its southern neighbor," the spokesman said. "We dislike seeing Canada under a U.S. shadow."

Divided: Western observers are divided in their opinions of Gorbachev's policy toward the nation's nations of Eastern Europe. Gerd Meyer, a Washington political analyst, consultant and former Central Intelligence Agency senior officer, said the Soviets were forcing the Warsaw Pact to pay more for oil than world market prices while at the same time demanding high-quality nonferrous goods. This, said Meyer, put Eastern Europe in the kind of economic squeeze that had caused trouble in the past. Added Meyer: "There is a high probability of a blowup somewhere

within a year." He added that the Soviets were willing to tolerate different economic approaches by the Soviet Union's allies, particularly Hungary, East Germany and Czechoslovakia. Added de Weydenthal: "In addition to being a demonstration of good management, this implied a degree of flexibility in his policies."

But there is remarkable agreement among Western analysts about Soviet foreign policy toward Latin America. There is not much that is new. The U.S. house foreign affairs committee's Casabianca and Gorbachev continue to supply arms to the leftist regime in Nicaragua "because it is a clear way to irritate and distract the United States." He added, "But it is a limited commitment with no guarantees to save Nicaragua should it find itself in a real fix." Raymond Garfield, former U.S. ambassador to Belarus and now a Soviet studies scholar at the Brook-

—MARK CORRIE with WILLIAM LUTHEWILL in Washington, ROSE LAYNE in London, PETER LEWIS in Brussels and correspondence reports

THE BOUNDS OF DISSENT

SPECIAL REPORT

Boris Golik, 34, had waited seven years in Moscow for the moment. At times he had feared that he might not live long enough to see it. Not after repeated protests and hunger strikes, the former Soviet chess champion returned here last month that he, his wife, Anna, and son, David, would be allowed to emigrate to Israel. That night

and 1982, Andropov led a ruthless assault against the Soviet human rights movement that emerged in the late 1970s. One of his prime targets was the so-called Moscow Helsinki Group, a coalition of about 100 intellectuals, artists and would-be emigrants formed in 1976 to monitor Soviet compliance with the 1975 Helsinki Accord. That international agreement contained the

rigorous for the rights of religious believers and minorities, are now virtually extinct. Said one Soviet sympathizer: "The entire movement has been driven deeply underground by harassment, arrests and expulsions from the country."

Repression. For reformers as well, life under Gorbachev is getting more difficult. Since large-scale emigration began in 1971, more than 250,000 Jews have left the Soviet Union. In 1979—at the peak of American-Soviet détente—Soviet Jews received exit visas at a rate of 4,275 a month. But that rate has fallen sharply. In May authorities issued only 49 visas and 55 last month. Moreover, in the past 35 months at least 30 Jewish activists have been arrested and put on trial for spreading anti-Soviet propaganda. "Before Gorbachev, we had only a couple of cases like that every year," said Joyce Szapiro, a spokesman for the London-based Women's Campaign for Soviet Jewry. "Gorbachev presents himself as a modern face, but in actual fact the repression has become much more severe."

Part-time visitors to the Soviet Union are often surprised by the widespread lack of sympathy among Russians for these Soviet citizens who slip outside the bounds of permitted behavior. But traditions of strong leadership, law and order are deeply rooted in Russian history and culture. "The average person has never heard of us and doesn't care about our plight," Yuri Chackonovsky, 42, told *Newsweek*. He lost his job as a factory manager after applying for an exit permit to the West in 1982 and now works as a part-time assistant to a Moscow writer. Added Chackonovsky: "They feel there is already too much disorder in the world. They want a leader who can put things straight."

—ROSS LARSEN in Moscow



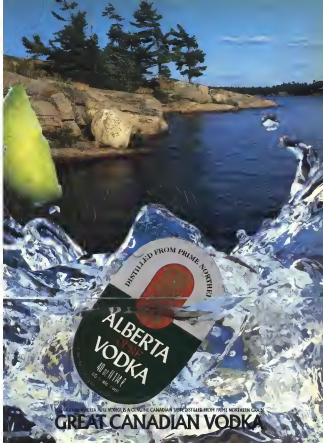
Chackonovsky: "The average person doesn't care about our plight."

Restrictions: The pessimists among the estimated 50,000 refuseniks, and among human rights activists, are arguing for such basic freedoms as unrestricted movement and speech, as based on ingrained Soviet attitudes, including Gorbachev's Secretariate say that two main factors militate against Jewish emigration. One is a fear of exporting expertise in "sensitive" scientific and technical fields that the state would be unable to replace. Another is reluctance to allow Soviet Jews to populate Israel because that country is a key U.S. ally in the Middle East. Underlying the ever-tightening restrictions on political dissent is a determination by Gorbachev to restore more order and discipline in Soviet life as a response to economic malaise and social drift.

Gorbachev's hard-line attitude toward human rights is a continuation of the discipline campaign begun by his mentor, the late Communist Party secretary Yuri Andropov. As head of the KGB security police between 1967

Universal Declaration of Human Rights, which grants citizens the right of free migration. Most of the Moscow group's founders—including physicist Yan Ullor and computer expert Anatoly Shcharenko, who was finally released on Feb. 11—were arrested in 1977 and variously sent to prisons, psychiatric hospitals, labor camps or internal exile. Isolated and demoralized, the three remaining active members disbanded the group in 1982.

Other dissenting voices have been silenced as well. Such once-active groups as the Christian Committee for the Defense of Free Migration, the Leningrad Society for the Study of Jewish Culture and the Committee for Self-Help in the Baltics, which campaigned



ALBERTA VODKA IS A GENUINE CANADIAN DISTILLATION FROM NORTHERN CANADA

GREAT CANADIAN VODKA

A perilous stock market

Just one year ago shares in the financially strapped mail company Abud Corp. sold on the Toronto Stock Exchange (TSE) for only 17 cents each. But last month new controlling shareholders reorganized the company to convert Abud into a holding company for a biotechnology firm and the stock took off. Its value soared to \$52 before the bid hit trading on June 28. After determining that no irregularities had occurred, officials allowed trading of the stock to resume last week. Abud immediately plunged to \$8 a share, before climbing back to \$10.50 a share by week's end. Some stock analysts use the roller coaster performance of Abud and other similar stocks as a portent. Lured by bull market fever, speculators have ventured into the market and helped drive up the prices of highly speculative stocks—and in doing so, experts say, helped precipitate massive selling by sophisticated investors and a jarring two-day slide on North American exchanges last week.

Abud is just one of the dozens of speculative stocks that have soared in value as little-known companies take advantage of fervent market conditions to make public share offerings that are eagerly bought up by investors. As well, there has been a proliferation of so-called "junk debt" entries to the stock market. Typically, the firms buy a company already listed on a stock exchange, then change that company's line of business to suit their needs, and, as a result, ride the demand of obtaining a listing and issuing a prospectus. Some pessimistic analysts believe that the hot new entries, and the improbable heights some of them have attained, are signs of an overvalued market which is likely to plunge to long-term lower levels soon. "The new issue usually generates ex-

cesses of greed at the tail end of the bull market stage," said William Allen, president of Toronto's Allinvest Group Ltd. "The unimagined investor gets sucked into this vortex."



Pochock: speculative stocks, novice investors and concerns about a collapse of the bull market.

and it finally shows itself apart."

For a time last week, some analysts suggested that the slump was a sign of the long-awaited market "correction" they expected would wipe down the four-year-old bull market. Spurred by indications of a further downturn in the U.S. economy, prices began tumbling on the New York Stock Exchange following the July Fourth weekend, knocking 80 points off the Dow Jones industrial average in a two-day decline. By the end of the week the market posted a slight recovery of less than a full point. In Toronto the TSE composite index followed suit, declining by 241.61 points to 2,997.3 in its worst two-day slump since September, 1982, before closing the week at 3,025.9.

Market experts were divided on whether the abrupt plunge heralded the start of the bull market's demise or was merely a burst of profit taking. "The market needed a slap," said Joel Left, a partner in Pontiac-Lee Associates, a New York money management firm,

"and it got it." But others were convinced that short prices had reached unreasonable levels. The stock market job, profited Allen, marked "the end of euphoria." Now, the market goes back

to levels that can be supported." In the meantime, there was mounting concern that contrary small investors could be seriously hurt by gambling on skyrocketing new stock issues. So far this year the Canadian speculative Vancouver Stock Exchange has registered 79 new stock issues and 200 company name changes. On the Alberta Stock Exchange, the highly speculative Edmonton resource company Ansh Resources Inc., a firm that has hopes of recovering abandoned copper claims from ocean floors, soared from five cents a share in May to \$7.125 last week. Even on the more conservatively run Montreal Exchange, the rapid rise in new issues has caught on with 34 new listings approved up to the end of June, compared with just 71 in all of 1985.

On the rise, which this year listed 54 new issues in the first six months (compared with 38 during the same period last year), spectacular performances by a handful of stocks, both

new issues and existing companies, have attracted the attention of regulators, who routinely investigate abnormal market activities. One is Colbush Inc., a London, Ont.-based firm first listed in 1980 that is developing a laser-shipping system using cable television and computers. On the strength of interest in the United States—company president Terrence Pochock said the system will be tested there next year—Colbush's stock went from \$4.25 a share in April to \$61 in June, before settling back to the \$12 range last week. "The market," noted Ralph Shaw, who supervises the stock listings, "is very anxious for companies that have a story out of context."

In an effort to protect inexperienced investors, on June 6 the TSE included Colbush in the select group of volatile stocks with optional purchase requirements. By the following week Colbush buyers were required to pay 75 per cent cash for the stock they purchased, rather than the usual 50 per cent. At the same time, the Ontario Securities Commission (OSC), which often sets the standard for securities regulation in Canada, has tightened its requirements for new listings—and is considering further changes to make company auditors more responsible for earnings forecasts.

Not surprisingly, some middle-income investors have lost heavily in the market frenzy. In Toronto a 32-year-old chartered accountant got into trouble in May when she tried to profit by "selling short" on Colbush's highly sophisticated stock market strategy that meant, in effect, she was gambling on the likelihood that Colbush's stock would go lower. Instead, the shares continued to trade higher, eventually producing a loss of more than \$10,000. So, she plans to sue her brokerage firm, alleging her broker gave her poor advice. Said the woman, who requested anonymity because of the pending court action, "As far as I am concerned, the money is lost. But I think it is good that people can find out these things can happen." Brokerage firms are equally concerned. Said the OSC's chairman and vice president and director of Toronto-based McLeod, Young Weir Ltd., "When the market is charging as it is, you have obviously got to be concerned that people are getting into things that they shouldn't—and that they are operating from that old bubble concept of 'the more the merrier' inexperienced stock market players, lured by the prospect of fast-moving stocks and quick profits, danger warnings are far other people."

—MARK NICHOLS with ANN STEWART in Toronto

A takeover with a message

It was the clearest signal yet that Canada is needed, as Prime Minister Brian Mulroney declared 18 months ago, "open for business." Last week a ruling by Investment Canada, the federal agency designed to attract and approve foreign investment, permitted the \$26-billion sale of Ilium Walker-Gooderham & Werts Ltd., a 139-year-old Canadian distillery, to

Walker-Gooderham, in late April for \$2.3 billion, then attempted to block the previously arranged sale of the newly acquired company's liquor division. Hiram Walker's board had arranged to sell the distillery to Allandale for \$2.6 billion in March, as part of an unsuccessful defense against the Reichmanns' takeover bid.

Allandale, a \$4.5-billion London-based distillery giant, had already achieved some success last week in its struggle to secure Walker-Gooderham in a unanimous ruling, the Supreme Court of Ontario upheld an earlier court decision that the deal arranged between Allandale and the former management of Hiram Walker was valid. Declared Allandale chairman Sir David Hildon-Brown, "This confirmation releases much of the frustration we have suffered over the past few weeks." But the Reichmanns were expected to return to court again this week to argue that the agreement is not binding on them as Hiram Walker's new owners.

In their battle for the control distillery, both sides have made direct appeals to the public and vigorously lobbied politicians. And an unlikely alliance had formed between the foreign-owned Allandale and Robert White's Canadian Auto Workers Union (CAW), which represents

Hudson-Downe, a crucial turning point for Hiram Walker.

British conglomerate Allandale. Last July the government took a premeditated first step toward creating a cordial environment for foreign investors when it dismantled the Foreign Investment Review Agency (FIRA) and replaced it with what was billed as a more friendly Investment Canada. Now, the new agency's decision on Ilium Walker is likely to be widely interpreted in Canada and abroad as an indication of Mulroney's determination to diminish economic nationalism.

The ruling also marked a crucial turning point in an increasingly bitter battle between Toronto's wealthy Reichmann brothers, who control Golf Canada Corp. and Allandale. The Reichmanns gained control of Hiram Walker Resources Ltd., parent of

Walker-Gooderham, in a controversial letter to Mulroney and several of his senior cabinet ministers, obtained by *Maclean's*, the CAW gave "overwhelming" support to Allandale, which had offered employment assurances that the sale would protect 1,000 jobs, and on political grounds. Although Investment Canada announced the decision, it was actually made by Mulroney's inner cabinet, which discussed the problem two weeks ago during a three-day policy conference. Mulroney's secretary is the Prime Minister's aide. Mulroney said the government approved Allandale's bid to prove a point that the Tories' election pledge to open up Canada to foreign investment still stands.

—TERESA VEDROSS in Toronto



Mittermayer: luxury resorts and a shortcut through immigration procedures

Selling a secure retreat

Claus Mittermayer unties several dreamers across the globe in a Halifax retirement as he outlines an audacious strategy for luring vacationers from abroad to Nova Scotia. They are plans for a project on Port Mouton Island, a wooded, 1,000-acre tract a mile off the north shore of Nova Scotia, which he wants to convert into a playground for German tourists. But inside his belching briefcase, the German-born developer also carries a videotape promoting another equally ambitious development, on the province's mainland. Mittermayer, 28, a landed immigrant who has lived in Nova Scotia for six years, is offering buyers from countries including his native Germany a variety of holiday and investment packages. They include house lots, retreats at a lakefront Club Med-style resort outside of Yarmouth and cottages. But he offers potential investors another enticement: a possible shortcut through Canadian immigration procedures.

Nova Scotia's scenic landscape was attracting considerable interest in Europe more than a decade ago. Since then at least 2,000 German residents have purchased cottages and small islands along the province's 4,000-km coastline for roughly a tenth of what comparable vacation land would cost at home. For a while in the early

1980s an unfavorable exchange rate for the Germans, high interest rates and restrictions on foreign investment eroded much of that appeal. But new concerns in Europe over terrorist violence and the nuclear fallout from the Soviet Union's Chernobyl nuclear plant are again increasing Canada's appeal. And Nova Scotia's real estate agents and property managers are beset for what they believe will be a fresh spate of European interest in Canadian land.

Mittermayer's investment pitch takes advantage of new Canadian immigration regulations unveiled last year. The new provisions allow prospective immigrants who have \$50,000 to come to Canada, providing that they invest half of it for at least three years in a Canadian business venture. The remaining \$50,000 must be available to be transferred to Canada if they choose to immigrate. As a result, in his promotions Mittermayer characterizes his two Nova Scotia-based recreational developments as investments—rather than just purchases.

Mittermayer is one of several Canadian entrepreneurs to offer the new type of investment package. One of the first to promote the package abroad, after receiving federal government approval earlier this year,

of the private lots, on a 370-acre peninsula 35 km northwest of the town, have already been sold. Yarmouth resident Daniel Stannion, who oversees land development in the area, provided that the project will provide the area's 15,000 residents with \$50,000 a year in municipal property tax revenue within four years. Stannion says, "I think it will be quite an asset to the community."

The developer's \$50,000 lakefront lots have proved to be attractive to middle-income Germans, who are unable to afford the high prices of recreational real estate in Germany. As well, upper-income professionals and business executives have paid as much as \$1.8 million for mainland and island estate elsewhere in the province. One of the first investors in the area, Düsseldorf dentist Andrew Googier, spends five months of the year at a vacation home he built in 1980 on Mouton's island in Melville Bay, 50 km west of Halifax. Said Googier, "I consider Canada very secure, especially in comparison to Italy with all the terrorists."

For his part, Mittermayer says he is confident he can attract the money needed by the final completion date of late 1993 net for both projects. He is counting on tapping a potential investment pool of as much as \$19 million—if Canada's reputation abroad as a safe haven continues to lure investors and potential immigrants, to the shores of Nova Scotia.

—CHRIS WOOD in Halifax

BUSINESS WATCH

A singular approach to investing

By Peter C. Newman

At a time when trying to guess the direction of the stock market is baffling even to the professionals, more and more Canadians are turning to mutual funds as a way of at least spreading their risks. Among the most successful is the fairly new and aggressively managed Trimark group, run from the corners of Bay Street by Arthur Labatt and Bob Krenzl.

This summer Trimark plans to add a third investment instrument to its roster—an interest fund that will specialize in short-term government guarantees as well as corporate bonds. Long-term safety rather than quick profits will be the guiding principle here, but some of Trimark's existing portfolios have been outstanding performers.

For the 12 months ended March 31, 1986, Trimark's main investment fund showed an appreciation of 29.9 per cent, while its Canadian fund increased by 20.4 per cent. More than \$800 million has so far been invested by 19,800 clients. The funds are so popular that 6,000 new subscribers are being added per month. "Our goal is to manage Canada's best-performing funds over a 10-year period," I was told by Arthur Labatt, who put Trimark together in 1981. "Our fifth anniversary is coming up next Sept. 1, and I expect that our members will top the charts by then."

Trimark has become so well known that its main equity fund has started taking orders from Europe and the Far East, and the company recently received an extra 4,000 square feet of office space to expand its facilities. The unit value of Trimark's main equity fund has grown by 123 per cent since its inception in 1981. "Trimark has a sound long-term approach," says Fred Scott, a mutual fund specialist at Moss, Lawson & Co. Ltd. in Toronto. "Plus contacts that provide worldwide investment perspective, the continuity of fund management and the advantage of being run by a small, dynamic team that can own a large part of the company."

Krenzl and Labatt each own about one-third of Trimark, with the balance of the shares held internally by other executives and a few outside investors. The management fee to subscribers averages about 1.5 per cent.

Labatt is the last member of the once-prominent London banking family still actively involved in Canadian busi-

ness. "I never really worked for the family firm," he recalls, "because when I was growing up it was very apparent that the family was looking for a buyer." After apprenticeship (and earning his C.A.) at Clarkson Gordon, Labatt spent a dozen years with Montreal Young Weir Ltd., mainly in research. When Montreal decided to open a full-time Canadian operation, the entire continent was split between Labatt and one other salesman. "We started out

as funds for Commercial Union Assurance. Krenzl eventually switched to Belmont Tremblay, and in 1981 the two of them, along with a marketing expert named Michael Ardour who had been handling mutual funds in Halifax, decided to open up on their own, using an original capital base of about \$700,000, partly underwritten by personal friends.

Krenzl, the head of a team of three that chooses the actual investments, follows a deceptively simple philosophy: finding as many winners and losers as overseas companies as he can and comparing the market's judgment of performance with his firsthand inspections. "We buy only when we feel we're bringing something to the table—in terms either of new information or a different method of evaluating potential. That means we usually say 'no' to things that are fashionable and that involve a lot of hype," he says.

One of the main tricks Trimark uses to keep its portfolio trimmed to well-performing stocks is to trust the list to about 35 equity issues. That means every time a new name is added to the list, the worst-performing stocks are dropped. The current portfolio includes such obvious choices as Alcan Aluminum Ltd., Canadian Pacific Ltd., Eastman Kodak Co., General Motors Corp., and Xerox Corp. But it also lists more obscure offshore stocks such as Daniel Industries Inc. of Houston, Tex., Hal-Berthson Co. of Dallas, Colsonet Inc. of Palo Alto, Calif.; Hercules Inc. of Wilmington, Del.; Rogers Corp. of Toronto, Ont.; and Ayco Inc. of Middletown, Conn. The largest single foreign holding is nearly a quarter of a million shares in Matsushita Electric, the Japanese consumer electronics giant.

Trimark's Canadian Fund reveals some remarkably objective judgments about domestic institutions that don't exactly top the list of most Canadian investors' dream portfolios. Trimark purchased 1,614,000 shares of Dome Canada Ltd. (now known as Kvaerner Corp. Ltd.) and holds 1,200,000 shares in the Bank of British Columbia. "If people look at your holdings and think, 'hey, that's a pretty good list of companies,' you're probably not doing your job right," says Krenzl. "We should be doing things that are out of the mainstream, not just what's fashionable in the market."

For now, at least, that singular approach seems to be working.



Krenzl: switching profit for security

with Col Gordon Weir's original list of contacts that was nearly 40 years old, and completely out of date, but it was wonderful timing," he recalls.

By 1973 Labatt was ready to leave the brokerage business. He became a partner of Lerne Weiser who, among other things, was trying to revive Belmont Tremblay Ltd., an investment management firm that was running many Quebec-based pension funds. That was when he first met Bob Krenzl, who at the time was managing a group of

Two weeks ago, **Gord O'Dowd** starred British TV viewers by disclosing that his brother, pop singer **Boy George** (George O'Dowd), was killing himself with a \$1,600-a-day heroin habit. Last week, sitting on a tip from the singer's father, **Jeremiah O'Dowd**, police raided the star's London home and charged four people with conspiring to supply the singer with heroin. Boy George was not on the premises and police said they did not know where he was until the singer's record company



Boy George: the family 'squealer'

announced that he had checked into a drug treatment centre. Later the singer was arrested. The elder O'Dowd said he had told police of his son's addiction to save his life. But before his disappearance Boy George, 23, said "I have certain values, and one is that you do not reveal on your family."

So busy it was her journalistic style of delivery on a series of *Access* commercials that got her the job as an anchor person on *Global* at 5:30 p.m. news reports. The 31-year-old **Sherry Miller** says she was charged to learn

that the commercials were running during her broadcasts the first week and a half she was on their. **Said Miller**: "My reaction was, 'Oh please, let's get these things off.'" She says this oversight on the part of the Ontario-wide network contributed to the difficulty she already faces in being taken seriously as a newscaster. Added **Miller**, who also plays the bubbly blonde in the *Spartan* *Barbers* video commercials: "If he [her husband] is having a credibility problem for some time to come."

Three years ago, after an 18-year stint as a child-care worker, **Frank Lila** is decided to follow the example of his brother, impressionist **Rich Lila**, and make show business a full-time career. The 36-year-old comedian, who lives in Leaside, N.B., works exhibitions and conventions throughout the Maritimes, telling **Richard Hatfield** jokes and doing impressions of **Charlie Chaplin** and **Norman Macdonald**. He says he will do his brother if someone asks him—but added that he does not welcome the request. "It's like someone yelling, 'De Laune,' trying to be a smart aleck," declared **Frank**. "If I think it's show business, but I'm a Jewell and Hyde. I come home from a show, I take off my suit and pull tree stumps."

Prompted by complaints from residents angered by the noise and mess of a swirl of sea gulls, officials of the port city of Le Havre, France, recently tried to solve the problem by poisoning about 350 birds. But that action infuriated animal-rights crusader **Regine Warden**. In a letter to mayor **André Dumoulin**, the 31-year-old Saint-Tropez resident condemned "the monstrous massacre" and added, "Those who are not disgusted by that which is disgusting are even more disgusting than that which does not disgust them."

Best-selling Toronto-born author **Charlotte Vale Allen** has written 23 books, including her autobiographical work about *meat, Daddy's Girl*, and a new novel, *True-Spoken*. Allen, 44, says that she prefers to write about women-to-women relationships because men fo-



Miller: probing a 'monstrous massacre'

rise on their careers...and their emotional lives are second or third down the line." Allen added that she is "getting to the point in my personal history where I am not interested in men. I am not gay, but my life would be easier if I were." Once married to actor **Barrie Belders**, she now says, "Nobody should marry an actor—not unless they plan to stay home and be invisible."



Miller: 'credibility'

One of its original members, **Mike Nesmith**, is missing, but that has not affected the comeback of pop-rock's *Monkees*, whose record sales in 1987 topped those of the Beatles and the Rolling Stones combined. Now, three-quarters of the original group, **Davy Jones**, **Mickey Dolenz** and **Peter Tork**, are capturing audiences on a

multi-city North American tour. Last week before a scheduled appearance at the Ontario Place Forum in Toronto, 38-year-old Jones said that the reason Nesmith is not missed is because "he never did anything. He only stood there with his horrible hat and his twang and played three chords."

—Edited by NANCY WEINER

Mitel is now suitably attired to answer even more of your questions.



So what is the difference? For starters, it's our new partnership with British Telecom, the \$17 billion telecommunications company. Combined with a renewed vitality, the energy that helped Mitel sell over 100,000 telephone systems worldwide.

And the result? You'll still see the innovative technology, and our agility when it comes to meeting your needs. Only now, our approach will take on an even more focused, well-heeled quality.

Mitel and British Telecom. The foundation is solid. The aggressive spirit is alive. The result is excellence.

And we think that's the answer you're looking for in communications.



Ask for "The Answer" on British Telecom and Mitel. Who is British Telecom? Why did five percent of those who don't answer in just 10 seconds to those questions by phoning for your copy of the 877, Mitel may be the fastest name, call 1-800-MITEL. In Canada, call 1-800-387-1227.

NOW EARN
DAILY INTEREST AT
INVESTMENT RATES,
WITH COMPLETE ACCESS
TO YOUR FUNDS.

INTRODUCING

COMMERCE INVESTOR'S RATE ACCOUNT

COMPLETE ACCESS AND OUR HIGHEST RATE OF DAILY INTEREST

Fortunately, today it no longer requires long-term investing to earn an investment rate of return. With our new Commerce Investor's Rate Account, those with \$5,000 or more can earn our highest rate of daily interest, and still have access around the clock. The Commerce Investor's Rate Account even offers the convenience of personal chequing and a choice of passbook or statement record-keeping. It all adds up with a Commerce Investor's Rate Account. For further details, contact us at the Commerce branch nearest you.



CANADIAN IMPERIAL
BANK OF COMMERCE

Commerce Investor's Rate Account offered by CIBC Mortgage Corporation and is not insured or guaranteed by Canada's Royal Bank of Commerce. For personal use only.

HEALTH

A battle to rehabilitate asbestos

Scientists began documenting the links between cancer and asbestos more than 30 years ago, but it was not until the 1970s that Western governments began drafting rules to control asbestos dust in the workplace. In the interval, thousands of people died. And because cancers caused by the inhalation of asbestos can take 30 years to develop, the tragedy is still being played out, many scientists say that by the year 2000 related dust from the durable, fireproof mineral will have caused the deaths of an estimated 48,000 North American workers alone. Despite those grim figures, Canadian government and asbestos industry officials insist that asbestos can be safely used in such products as automobile brake shoes. Ottawa is currently waging an international campaign to rehabilitate the mineral's tarnished reputation. And Gary Nash, president of the Montreal-based Asbestos Institute, "Public health comes first. But we think that consistent with public health we can still use asbestos."

This week Nash was scheduled to make that point with the help of five volumes of scientific and technical research in Washington. At hearings conducted by the U.S. Environmental Protection Agency (EPA), he will represent an invitation that received \$1.35 million from Ottawa last year. With matching \$1.35-million grants from industry sources and the Quebec government, the institute argues the case for asbestos and fights to preserve 4,000 jobs directly dependent on asbestos mining, most of them in Quebec. For their part, EPA officials also acted in an informal sense. In terms of the Canadian political situation, it is important that the Canadian federal government appear to be doing all that it can to protect its domestic industry. Nash will speak against a proposal that would halt asbestos imports into the United States and forbid the use of the substance in such products as vinyl floor tiles.

Protocol prevents a foreign government from participating directly in the asbestos-ban hearings. But Nash's arguments, and Ottawa's opposition to the proposed ban, are closely linked because 20 per cent of the 704,000 tons of

asbestos mined each year in Canada is exported to the United States. The EPA is also considering toughening regulations governing the allowable levels of asbestos fibers in drinking water. But in Canada federal officials say that there is no proof that ingestion of water-borne asbestos is hazardous. As a

sign that white, or chrysotile, asbestos mined in Canada, although still dangerous, poses a lesser hazard to the lungs.

After the meeting in Geneva, Canadian officials quietly worked behind the scenes in Washington to preserve asbestos exports to the United States. In 1984 the federal government joined



Message: There is no indication that asbestos causes cancer when present in drinking water.

result, there are no federal regulations governing permissible levels of asbestos in drinking water.

Last month the Ottawa-based campaign for controlled industrial use of asbestos achieved an important victory at the annual conference of the International Labour Organization in Geneva. There, the 115-member Canadian delegation—including four union representatives—voted a proposal that would have had the United Nations body endorse a ban on all asbestos use. Instead, representatives from 148 countries called on their governments to adopt a resolution banning the use of a single type of the substance—crocidolite, or blue asbestos, mined in Zimbabwe and South Africa.

That resolution pleased Canadian government officials. During the past 30 years they have steadfastly maintained that blue fibres were the most hazardous type of asbestos—in part because the sharp, jagged fibres lodge easily in the lungs of workers who inhale the substance. By contrast, Ottawa

forces with the Asbestos Information Association of North America, an Arlington, Va.-based industry lobby group, and approached the administration's powerful Office of Management and Budget (OMB)—an organization that has the power to veto its proposals if it decides that they would be too costly. And in February, 1985, following a joint EPA-OMB meeting, a high-ranking official of the U.S. environmental agency announced that the two were dropping its proposed asbestos regulations that a U.S. congressional subcommittee which investigated that decision uncovered those manufacturers, and Congress ordered the EPA to revise the proposal. In an October, 1985, report entitled *Care Study on OMB Interference in Agency Rulemaking*, the subcommittee said that the OMB had "engaged in secret consultations with outside parties, leaving other interested parties on the sidelines watching a different game." And last May the *Washington Post* and the Canadian Embassy in Washington sent a "Tele-

to Normal Adults in Ottawa, advising that the DMH was still trying to help Canada even though the agency publicly approved the EPA proposal.

Canadian arguments for the controlled use of white asbestos have failed to impress U.S. environmental authorities. Although EPA officials say that placing wet asbestos uses during the next 15 years will save an estimated 1,800 lives to the end of the century, Nash and officials in Ottawa, argue that the projection has no grounding in scientific research. Declared Nash: "We will challenge it in the courts and we are almost positive that the courts will support us. The EPA knows that and they don't want their credibility challenged."

In 1983 a U.S. state department official criticized Canada's "arbitrary assumption that asbestos regulation is primarily a trade question." As well, U.S. environmental authorities have shown that they are prepared to err on the side of caution when dealing with the health hazards posed by asbestos. Last November EPA officials announced their intention to limit the amount of asbestos allowed in drinking water. But federal and provincial environmental officials who met in Ottawa last March decided that there was no need for standards in Canada.

Despite that conclusion, several

studies conducted during the past 18 years have shown that asbestos is a persistent contaminant in drinking water across Canada and the United States. Some pollution occurs naturally as a result of geological formations and some is the result of industrial pollution in such countries as the asbestos mining towns of Blue Vents, NM. There, a federal survey in 1977 detected 329 million fibres of white asbestos per litre of water. (Set aside by side, a million of the tiny fibres would open one inch.) But in many cases, the mineral enters drinking water through the corrosion of water mains made of asbestos-reinforced cement. In Woodstock, N.Y., last winter such corrosion became so serious that asbestos fibres began clogging taps and drains. Health authorities warned residents not to drink the water until work crews replaced the pipes, and the ban is still in effect in some areas. But in Winnipeg, where similar corrosion has resulted in asbestos counts as high as 12 million fibres per litre, local officials recently assured residents that "the health risk is very small, if it exists at all."

That reassurance was based on an analysis of the impact of ingesting asbestos contained in dozens of studies of animals and analysis of disease patterns in U.S. communities. Indeed, two years earlier scientists employed by

the federal department of health and welfare reviewed several studies on waterborne asbestos and found that "the risk of developing disease associated with the ingestion of asbestos in drinking water is probably very small." As well, a 1986 EPA review committee reached a similar conclusion, but the U.S. officials voiced a concern not found in any similar Canadian government analysis. According to that EPA review, some of the scientific evidence and the mineral's reputation as a known carcinogen had made it "hard for the committee to feel comfortable in dismissing the possibility of an increased risk of gastrointestinal cancer among humans exposed to asbestos fibres from drinking water."

Because of that concern, the EPA is considering regulations that would set tougher limits on asbestos fibres in drinking water. Many environmentalists and scientists say that the proposal amounts to an official acknowledgment that asbestos is a public health hazard as well as an occupational danger. Said Samuel Epstein, a professor of occupational and environmental medicine at the University of Illinois in Chicago: "We don't have clear-cut data specifically proving that asbestos in drinking water causes cancer. But we have a vast amount of data point-

ing in that direction." Added Epstein, the author of the 1978 book *The Politics of Cancer*: "If I lived in Winnipeg or any other city with asbestos in the water supply, I wouldn't drink the stuff. There is an overwhelming perception that these are carcinogenic materials."

Repeated experiments over the past decade have shown, however, that laboratory rats and hamsters eating foods containing asbestos fibres do not develop higher rates of cancer than animals on asbestos-free diets. But researchers have been more troubled by studies concerning the development of disease with in human populations. The most thorough such study, prepared for the EPA, analyzed health records of residents living near the San Francisco Bay area, a region where naturally occurring asbestos contaminates many supplies of drinking water. The report's conclusion: "A positive association between ingested asbestos and cancer existed in the San Francisco area from 1969 to 1974 for

asbestos cancer sites." Kidney tumors were most frequently found.

But Dr. Robert Cooper, a University of California (Berkeley) scientist who helped prepare the study, said that the finding indicated "only a statistical re-



Asbestos health adviser Dr. Percy Porter, Nash: "Health comes first"

evidence is frustrating for scientists and ignores advice Sir Miles: "It is a real dilemma. Asbestos is a known carcinogen. There is no doubt about that. But there is no real scientific indication that it causes cancer when present in drinking water."

Such worries of asbestos use as Montreal's Nash dismisses the health hazard of waterborne asbestos as negligible. As well, Betty Meek, a toxicologist and one of the federal health department's experts on asbestos, recently told Winnipeg residents that they were 1,000 times more likely to be struck by lightning than to die from cancer contracted by drinking local tap water containing asbestos fibres. But U.S. regulators, unlike their Canadian counterparts, are actively considering additional safeguards against a mineral with a solid reputation for causing cancer.

—JOHN BARBER with NOLA UNDERWOOD in Toronto, WILLIAM LOWMYER in Washington and RUTHA EA. HARRISON in Winnipeg

Introducing new Freshmint Crest, a revolutionary toothpaste that lets you fight ugly, above the gumline tartar every time you brush.

Freshmint Crest's Tartar Fighting Formula has been tested by thousands of dentists and hygienists. Moreover, Crest has been successfully used and trusted by millions of people throughout the United States!

SAME FLUORISTAT FIGHT.

Now Freshmint Crest does more than fight tartar because it contains Fluoristat, the same clinically proven cavity fighter as regular Crest. So you get the same cavity fight that's made Crest famous.

INTRODUCING CREST'SOVEN TARTAR FIGHTER



THIS IS HOW YOUR DENTIST FIGHTS TARTAR TWICE A YEAR. NOW THIS IS HOW YOU CAN FIGHT TARTAR EVERY DAY!



Most tartar comes from mineral deposits which form a hard, crusty plaque near your gumline.

No sooner has your dentist removed hard, crusty tartar, then it begins to reform.

With Freshmint Crest's tartar fighting formula helps prevent tartar reformation every time you brush.

Dental Web proves that new treatment Crest can help prevent above the gumline tartar.

Make tartar fighting a more regular part of your oral care programme. See your dentist twice a year. And brush daily with new Freshmint Crest, the proven —the most trusted—tartar-fighting toothpaste.

Crest contains sodium fluoride which is a proven effective anticavity, remineralizing agent, and a clinically proven tartar fighter. Crest is a registered trademark of P&G. © 1987 P&G. CANADIAN DENTAL ASSOCIATION

NEW CREST IN THE SILVER BOX.





Johnson winning the gold record performance and thousands of empty seats

SPORTS

The future of the games

Like the man who conceived them, the Goodwill Games are ambitious, grandiose and financially troubled. The 17-day made-for-TV event reached its midway point in Moscow at week's end with its creator, 61-year-old U.S. broadcasting maverick Ted Turner, confronting losses in the tens of millions. TV sets turned to other channels, and thousands of empty seats at 18 Moscow venues despite a number of stirring performances, including world records, the opening week of the first Goodwill Games fell short of Turner's prediction that they would be "bigger than the Olympics." And while Turner reluctantly admitted that "these Games are not going to solve all of the world's problems," they may eventually solve some of his.



Turner: \$2-billion debt

Turner earned the nickname Gipper Outrigger while piloting his 32-m yacht Courageous to victory in the 1997 America's Cup. His empire includes the first satellite TV superstation, went to Atlanta, Ga., the first all-news 24-hour cable TV network, CNN, and MGM's film library, which contains such epics as *Gone*

With the Wind. He also owns the Atlanta Hawks of the National Basketball Association and the Atlanta Braves of baseball's National League. And because he is given to lengthy pronouncements on everything from arms and population control to better relations with the Soviet Union, Turner has earned the nickname Mouth of the South. He was typically unimpressed in promoting the first multistop meeting of Soviet and U.S. athletes since the 1976 Olympics. "This is the biggest point effort between the Soviet Union and the United States since the Soviet Union stage the World War II."

Indeed, the enterprise is massive. The Games, expected to cost \$200 million (U.S.) to stage, of which the Soviets put up \$60 million, Turner paid \$75 million to the Soviet sports ministry. In 4 months, he is expected to raise \$2.4 billion in the U.S. Although Congress to ensure a strong U.S. contingent and \$1.6 million in Soviet radio and television for facilities. His total expenditure is expected to exceed \$25 million. While the Soviets will reap any propaganda value on hosts, Turner retained the broadcasting rights outside the Soviet bloc by

the closing ceremonies on July 26, which will make 128 hours of the competition—revolving 3,000 athletes from 40 countries in 18 sports—available to 70 million U.S. TV households via 10 communications satellites. And Canada's cable sports network, now, will have relayed Turner's coverage to 633,000 subscribers. Still, Turner will lose between \$80 million and \$100 million (U.S.) for a man who claims to be \$2 billion (U.S.) in debt—mainly because of the MGM purchase—with daily interest payments of \$1 million (U.S.). The loss is relative. Said Turner: "Even Christ didn't make money, neither did Martin Luther King."

One man who does in U.S. track star Carl Lewis. The 24-year-old has turned his four gold medals at the 1984 Olympics into a personal fortune. But Lewis became a pauper in his 100-m showdown with Canada's Ben Johnson last week. The 24-year-old Jamaican-born Johnson won the gold medal in a time of 9.80 seconds—the second-fastest 100 in ever run—and claimed the title of the fastest man in the world. Lewis finished third. Said Johnson: "The last time I beat Lewis he had some complaints. I just wonder what he has to say this time." Said Lewis: "I don't care about being number 1 in the world or match up like him. Among the other exciting performances was American Jackie Joyner's world-record 1:44 points in the women's 400-meter heptathlon. American Edwin Moses won his 11th consecutive 400-m high jump title since 1977 and Soviet Sergei Bubka broke his world record with a pole vault of 29 feet, 8 1/2 inches.

Yet for all of Turner's 18 months of organizing, planning and promoting, the Games were ill-timed. Many of the world's top athletes were busy competing in national meets and preparing for the Commonwealth Games in Edinburgh July 24 to Aug. 2 and the world swimming and tennis championships Aug. 13 to 20 in Madrid. Still, the 1986 Goodwill Games may prove to be a pilot for a long-running TV series. Following the U.S. boycott of the 1988 Moscow Olympics, the Soviet boycott of the 1984 Los Angeles Olympics and growing tensions over an arms race, the boycott of the 1988 Seoul Olympics, the Goodwill Games could possibly become a permanent summer replacement for the troubled Olympics. In that case, Turner's show would be worth watching, both on television and in the Soviet Union. By 1990, when the second Goodwill Games are scheduled for Seattle, Wash., the March of the South may have added another spot for his superstation.

—BLA GIBBY with KEITH CHARLES in Moscow

Giving the fans a vote

Major league baseball's midseason all-star break is a time for reflection. It is a time for managers and players to ponder what has gone right and wrong, and to assess their chances in the season's second half. But it is also a time for the fans' reflections on the first half of the season. Last week, after the tabulation of votes by fans for the 1986 all-star teams, the league announced the starting lineups for the 27th annual game on July 10 in Houston. For many fans and players the voting proved once again that there is some right, but much wrong, with the way the starters are picked: many of the season's best performers lost out. "Strand-team players for starting positions," said Toronto Blue Jays executive vice-president Pat Gillick. "Basically, it is a popularity contest. The fans just vote for the household names."

The result is that many top players received no votes. And not making the National and American League teams or had to depend on the managers to name them to the roster after the vote results. Among the week-long Blue Jays outfielders, Jesse Barfield had a .384 batting average and 21 home runs, but he finished sixth among outfielders and more than 500,000 votes behind second-place number three Wade Winfield of the New York Yankees, who was batting .326 with 12 homers. Although American League manager Dick Howser named him to the team later, Barfield said: "It's not fair. The players and managers should pick the starters and let the fans pick the backup players."

Another player not picked for the starting lineup was Montreal Expos' Tim Lincecum. The left fielder carried a .336 batting average, the National League's leading on-base percentage, 40 stolen bases and a top-five rating in five other offensive categories. Still, he finished fourth in the ball-

ing. Said a restrained Lincecum: "When you put the starting lineup in the hands of the fans, you get a lot of surprises."

Between the 1950s and 1970, the major leagues alternated between all-star teams picked by fans and by the participants. Then, baseball settled on the current system in 1976.



Fernandez: many of the season's best performers lost out to "house names"

Worried that pro football was usurping baseball as the U.S. national pastime, the baseball commissioner Bowie Kuhn returned the selection process to the fans in an attempt to spark their interest and involvement. Now, despite the controversy, baseball commissioner Peter Ueberroth insists that the fans should retain the power to pick. "It is the fans' game," said Ueberroth.

The Blue Jays and Montreal Expos suffer from what Ueberroth calls "the Canada factor." Though the top Toronto and Montreal players are well-known to fans in Canada, in the major all-star voting centers of New

York, Los Angeles and Chicago they are in town for only six to nine games a season. Toronto's outstanding shortstop, Tony Fernandez, finished more than one million votes behind Cal Ripken of the Baltimore Orioles. While the final votes were being tallied, Fernandez was hitting .306 and Ripken .251. Said Jays manager Jimmy Williams: "I think they in the best shortstop, and I haven't heard anybody say any differently." Later, however, selected Fernandez and Blue Jays outfielder Lloyd Moseby to play for Toronto's George Bell, who is asked 12th in the voting for outfielders despite a stellar season, failed to make the team.

The slights to the Jays were matched by those to the Expos. Shortstop Hubie Brooks, hitting .287 and leading the National League in slugging percentage, finished more than 450,000 votes behind Game Smith of the St. Louis Cardinals, who is having an average season. Said Brooks: "I have never been the type that everybody and was going to be the next Ted Williams or Ty Cobb. But the guys who are called as the next Ted Williams, they go to the game even if they hit .280."

But the Jays and Expos are not alone. In the American League the 1985 batting champion and this season's batting leader, Boston Red Sox third baseman Wade Boggs, lost again to St. George Brett of the Kansas City Royals because of injuries, however.

Boggs was expected to replace Brett. Because the big leagues are not likely to return the players and managers, the controversy about starters is destined to continue. As for the overlooked Jays and Expos, Gillick says that the only way their talents will be recognized is through increased exposure on U.S. network television. Added Gillick: "The best way to qualify for the World Series." And that is a feat that has eluded the Jays for the past nine years—and the Expos for the past 17.

—BLA GIBBY in Toronto with BRUCE WALLACE in Montreal

Bringing the romance novel home

The small red paper heart looked innocuous on the brick exterior wall of Toronto's First United Presbyterian Church. It was the first of a trail of hearts leading to the church basement. There, chattering women unstacked chairs and set out cookies and coffee. The scene looked like a local affair, but it was a first gathering of the all-Canadian Ontario chapter of the Romance Writers of America (OWA), the first Canadian offshoot of the Texas-based organization. Its emergence signals the growing Canadian presence in a lucrative \$200-million international industry that churns out formula paperback tales of star-crossed love. Last month 25 Canadian delegates attended the 9th convention in Minneapolis, Minn., and their ranks are increasing, as more Canadians try—in best romance novel tradition—to turn their fantasies into something lasting and real.

In 1975 Halifax writer Jill MacLean published *To Trust My Love* with the Toronto-based Harlequin Books Ltd., thereby breaking into a list dominated by English authors and becoming the first North American to place a title with the giant of romance fiction publishing. Now, the two largest publishers of the form are Harlequin and New York City's Silhouette Books, which Harlequin bought in 1984. Both are owned by Torstar Corp. and count 51 Canadian romance writers on their book lists—including six members of the Ontario chapter of the OWA. Meanwhile, hundreds of would-be chroniclers of heartbreak and happy endings are plugging into a coast-to-coast network of romance writers' workshops and even college courses. Sand Karen Solen, editorial director of Silhouette Books: "We have 15 Canadian writers and we are getting many more Canadian submissions."

Canada's successful romance novelists are now exporting their works to many of the 56 countries where Harlequin and the like are sold. And they are helping to change dramatically the face of what was once a provincial British-craft. Until MacLean's book appeared as a Harlequin, the company was basically a reprint house for British publisher Mills & Boon, whose star writers

were a handful of somewhat gradish Englishmen. Their works typically featured 18-year-old virgin governesses pursued by handsome, middle-aged millionaires through exotic locales. Then, in 1980, *maestro* of North America's growing appetite for novels that more accurately reflected society after the sexual revolution, New York City's powerful publishing house Simon & Schuster Inc. decided to launch Silhouette. Harlequin swiftly followed with its own



Out of Woodcock cover: explicit sex

North American-oriented publishing lines.

A score of imitators sprang up, and the writer's market burgeoned. Sand Harlequin public relations director Barbara Orr "Buddie," here was the incredible cottage industry for women. One author called it "the most money I can make outside of selling myself in bed." The last to join the new profession ran high. In fact, in June 1986, at the first convention of the newly formed Romance Writers of America in Houston, Tex., seven literary agents and editors complained of being harassed in their hotel rooms and even in public washrooms by manuscript-carrying delegates. Still, many such enthusiasts got published. And they began to incorporate radical elements to their chosen literary form:

older, career-oriented heroines, sensitive, vulnerable heroines, explicit sex, North American settings and plots, whose first pass owed more to television than to strictly gothic novels.

While many romance writers continue to set their novels in such places as Greece or the Amazon jungle, others have discovered that North American locales can seem exotic to readers who have never been there. In *Red Floor*, by Naomi Morosco—a pseudonym for Toronto writer Susan Horton—a deserted Cape Breton Island beach is the scene for an exchange of soaring kisses between financial adviser Jarrett Ames and artist Ruby St. Claire.

The cover of *Out of Woodcock* by Sandra Field—a pseudonym for MacLean—shows blond, beautiful Ashley MacCulloch embracing handsome landowner Michael Gault against a background of sheep-dotted Nova Scotia hills. And Ottawa author Clara Eklund has set *Diplomatic Affair* in the Canadian Embassy in Washington, involving the here, ambitious diplomat Chris Blake and the heroine, Dr. Rachel Stone, in torrid romance amid free trade talks.

Currently, the market is failing to expand as fast as the ranks of Canadian writers seeking to penetrate it. Some of the publishers who began five years ago have since gone bankrupt or been discontinued, while survivors cutbacks on publishing the authors they know. Silhouette reviews 480 queries from writers each month. But last year out of 302 books it published, only 40 were by new writers. Still, editors at both Harlequin and Silhouette say that they continue to seek more Canadian authors.

That encourages hopefuls to keep pouring their fantasies onto paper. Caroline Jecht, who works as a secretary/receptionist in a Vancouver law office, is the author of *Separate Lives*, to be published by Harlequin in October. She is currently at work on a new manuscript, *Sand Jecht*. "If this can happen to me, it can happen to others. Not just need a dream and a lot of perseverance." Even outside the magic realm of romance fiction, it seems, happy endings are sometimes possible.

—CYNTHIA BROUSE in Toronto

ACCEPT A REFRESHING OFFER FROM CITY & COUNTRY HOME AND GET

This Handsome Carafe!

KEEPS
DRINKS
HOT OR
COLD!



HERE'S A SUPER SUMMER OFFER. Get this attractive Carafe plus the best in home decorating and design from City & Country Home!

FOR CIVILIZED SIPPING

Keep country cool in city style with our wonderful new L-tite pitcher. The insulated double-glass liner keeps your favorite beverage at the perfect temperature for hours. Use it at home or away... for barbecues or boating, picnics or pool parties on the patio. And what it serves is up to you: juice, wine, champagne... tea, coffee, even hot toddies.

INDULGE YOURSELF THIS SUMMER

Relax with your personal copy of City & Country Home and enjoy profiles of talented artists, architects and designers... expert advice on antiques and collectibles... features on Canada's classic heritage homes, fine food and drink, travel, fashion, gardening and so much more.

Bring our Home into your home and get your own handsome Carafe!

Simply complete and mail the attached order card today!



THE WINNERS

THE WINNERS AWARDS
Maclean's
SECOND
NATIONAL
PHOTO CONTEST



GRAND PRIZE WINNER

Shen George, Toronto, Ontario

Mr. George won a trip for two to Vancouver on VIA Rail Canada, including a three-day pass to Expo '86 and a VIP tour of VIA Rail's Boscawen exhibit.

This year's Maclean's Photo Contest presented a real challenge to photography buffs, as the theme was devoted to railways. The many entries once again demonstrated our readers' talent and creativity—being a real challenge for our judges, too.

Congratulations to all the winners and thanks to everyone of you who entered the contest.

RUNNERS-UP

(The following people won VIA Rail Boscawen exhibit kits.)

David Campbell, Amman, Ontario
Peter L. Dougan, Berlin, Ontario
Phil Dyck, Lethbridge, Alberta
Margaret Eastwood, Pointe Claire, Quebec
Daniel R. Graydon, Napier, Ontario (Two)
Mark Menne, Calgary, Alberta
Clifford J. Peterson, North Bay, Ontario
Alex Stodnyk, Winnipeg, Manitoba
Edmond Wilson, St. Catharines, Ontario



Daniel R. Graydon

HONORABLE MENTIONS

(The following people won Railway Counting Across Canada by Train, published by Kay Porter Books.)

Steve Augustus, St. Catharines, Ontario
Gavin Campbell, Amman, Ontario
Peter L. Dougan, Berlin, Ontario
Dr. Bharat Singh Guleri, Winnipeg, Manitoba
Daniel R. Graydon, Napier, Ontario
Scott Haskett, Kelowna, Ontario
Danielle Holland, Vancouver, B.C.
Grant Kutchaw, Mississauga, Ontario
Norm Rutherford, Mississauga, Ontario
Alex Stodnyk, Winnipeg, Manitoba



Margaret Eastwood



Grant Kutchaw

Many thanks to our
sponsors
VIA Rail Canada Inc.
and Kay Porter Books

KEY
ROW
TEN
2000

1986
1987
1988



Tyson and Hawkins: love, action and murder in London's sleazy underworld

FILM

Beauty and the beast

MORNA LINA
Directed by Neil Jordan

The fairy tale of *Beauty and the Beast* grows up in a moving, exciting new British film. *Beauty and the Beast* is a small-time ex-coureur named George (Rob Hawkins). The beauty of the fable is Simone (Cathy Tyson), a London prostitute who lures George to chauffeur her to her high-class clients. At first the two mix as poorly as oil and water. He is vulgar and naive about the world of sex for sale; by contrast, she is chic and aloof, defending herself from painful memories of her past as a common streetwalker. But the curiously ingenious George gradually gains her trust—daffing happily in love with her.

With astonishing elegance and skill, director Neil Jordan (*The Company of Wolves*) weaves a touching, terrifying tale that makes the setting of London's sleazy underworld with a story of unrequited romance. Gaining George's confidence, Simone begs him to find a young prostitute and herren sibling named Cathy (Kase Hildebrand), whom she once promised to look after. George's search through the vice den of Bobo brings him back into contact with his old boss, Mortwell (Michael Caine). Under the pretense of helping George, who spent seven years in prison covering up for his glibly employer,

Mortwell uses him to try to blackmail one of Simone's clients. George's search for Cathy, the blackmail plot and a murderous revenge planned by Simone's former procurer all fuse in a suspense climax in the sleazy heart of Brighton. There, George learns what it is to love and lose.

In addition to its dazzling visual style, *Beauty and the Beast* offers a distinctive combination of comedy and dread, of compelling script and brilliant performances. In her first movie role, the lovely Cathy Tyson brings a haunted quality to Simone, the prostitute who cannot forget her professional entanglement at her procurer's sadistic hands. As the victim Mortwell, Michael Caine is truly magnificent—a man who has long ago sold his soul.

Rob Hawkins deservedly won the best actor award at Cannes this year for his role as George. He has the soul of a child, disbelieving the end as others because there is so little in himself. Yet, like a child, he has violent outbursts when he feels betrayed. Simone's portrayal is unforgettable. When Simone asks George whether he has ever loved so strongly about another person as she does for Cathy, he replies in a broken voice: "All the time." That one small scene makes the fairy tale of *Beauty and the Beast* heartbreakingly real.

—LAWRENCE OTTOOLEY

Rebels and reprobates

SALVADOR
Directed by Oliver Stone

Richard Boyle (James Woods) is a footloose photographer who has washed away his reputation in a flood of alcohol. Doctor Rock (James Belushi) is an unscrupulous disc jockey who shares Boyle's taste for excess. The two abandon the ruins of their lives in California and drive a run-down convertible to El Salvador—which Boyle describes as "big beer" because of its cheap drugs, liquor and prostitution. But when the travelers reach their destination, the film *Salvador* abruptly changes tone, becoming a chronicle of the Central American country's bloody civil war. With horrifying scenes of rape and murder committed by army personnel and right-wing death squads, the film offers a harsh indictment of U.S. support for the local military. Yet, *Salvador* founders because of the clash between its disturbing backdrop and the *Blow-Up* style of Boyle and Doctor Rock, one of the more idiosyncratic in recent film history.

The two men are based on real characters. In fact, the real-life Boyle collaborated on the screenplay with director Oliver Stone, who also wrote the scripts for *Scarface* and *Midnight Express*. In *Salvador*, Boyle attempts to make some money quickly as a news photographer while romancing relations with a former girlfriend, Maria (Ellen Barkin). The vapour Maria seduces him despite her admission that there is nothing "good or decent" about him. And Boyle, who initially has no strong allegiance to the war, grows increasingly sympathetic to the guerrillas after encountering right-wing assassins, whose victims include Maria's 16-year-old brother. Soon, Boyle becomes awfully earnest, preaching morality to U.S. military advisors and, in one ludicrous scene that even the talented Woods cannot carry off, confessing his sins to a Catholic bishop. For his part, Doctor Rock is an overgrown baby who offers little more than comic relief.

A sprawling herd of gripping action and simplistic characters, of *Salvador* photography and awkward editing, debases frustration in the victim of an artistic war—between repugnant force and historical tragedy.

—PATRICIA BILLYCI

CONSUMERISM

Linking the cardholders

Since 1983, the beeping sounds of automated banking machines have been familiar background noises which gradually spread to Canadian shopping plazas, airports and even hospitals. But last month some national organizations joined forces to provide even easier access to ready cash for 10 million bankcard holders across the country. Six banks, one trust company and two credit-union organizations merged interests, a sophisticated computer network which will link 8,600 banking machines in more than 120 communities by October—providing access to a potential 95 per cent of bankcard holders. The co-operative venture means that bank-in-machine customers can withdraw cash in less than a minute from any institution that displays the gold, black and white Interac decal.

Officials from participating banks say they have already begun installing machines in such new locations as convenience stores and gas stations. And the network means that bankers can now place a single machine in consultation they once considered too small to support the convenience. Indeed, Interac is a significant expansion of automatic banking services—although the system—like Canada's first 16 machines which the Canadian Imperial Bank of Commerce installed 17 years ago in Toronto—only dispenses cash. Customers may not make deposits, pay bills or transfer money on the machines. Each cash withdrawal results in a charge of 75 cents to the cardholder's financial institution, and some pass the charge on to the customer at rates of as much as \$1 per withdrawal.

Interac is the largest network of its kind in the world in terms of popular bank-sharing technology exists in Japan, Scandinavia and France, but the size of Canada derails Interac's proponents to develop a more advanced, electronic-message routing system, using Bell Canada's transmittance lines. Indeed, these Saskatchewan credit unions have gone further by providing a service that allows cardholders to shop at night commercial outlets—with costs automatically deducted from their credit-union accounts. Interac may well be a major step toward a cashless society.

—ANNE STACY in Toronto

Taste the difference.

Any way you mix it, the great flavor of Appleton comes through.

APPLETON
GOLD
SPECIAL
LIGHT RUM
RHUM LEGER

40% ALC/VOL (80 PROOF)



L'Épuyré. A taste so good, you will expect a cork.

In fact, the taste of L'Épuyré will exceed all your expectations. Many fine restaurants have named it their house wine, because the taste of L'Épuyré is perfect for most occasions.



Ammand Roux
QUALITY FRENCH WINES SINCE 1862

BOOKS

Revenge of a beaten wife

LIFE WITH BILLY

By Brian Vallie
(Okanos, \$10 pages, \$1.95)

He routinely slipped, punched and kicked her. He humiliated her verbally and repeatedly committed acts of the most revolting cruelty against her and her children. And finally, after five years of Billy Stafford's abuse, Jane Stafford retaliated: the rural Nova Scotia woman killed her sleeping common-law husband with one of his own shotguns. Now, Brian Vallie—a car producer who worked on a 1981 reality episode about Jane—has written *Life With Billy*, a graphic account of the case.

Jane's first exposure to wife-beating came when she was a child, watching her hard-drinking father assault her mother. In time, she herself became a classic victim—when Vallie describes as a woman “blamed so often for the attacks against her, she came to believe they're her own fault.” But when Billy threatened to kill both Jane's son from a previous marriage and a nephew, she shot him. Charged with first-degree murder in 1985, she was acquitted on the grounds of self-defense. On appeal, that decision was reversed and she served two months of a six-month sentence for manslaughter.

In an introduction to *Life With Billy*, Stafford writes that she agreed to tell her story for the sake of “all of those others out there who are living that same hell as I did.” Vallie, citing a federal report, states that domestic violence is “a fact of life” in one Canadian household in 10. Many can see nowhere to turn and sometimes suicide or murder seems the only way out of an abusive situation. One-time homes are severely overcrowded, and in many rural areas they do not even exist. Vallie's book forces the reader to face the repugnant subject of wife-beating point blank. Apart from the hard account of the discovery of Billy's body, *Life With Billy* relates Jane's ordeal with sympathy and quiet compassion. The book's appendix lists the names and phone numbers of transition homes in Canada. Prefacing that list is one last reminder of the seriousness of domestic violence: “For security reasons, no addresses are included.”

—PAMELA YOUNG

THE ARTS

Holding out a lifeline for artists

William Shakespeare starred in an unusual fund-raising event on the banks of the South Saskatchewan River earlier this summer. For two weeks an actor from Saskatoon's Nightingale Productions theatre company dressed as the bard and lived on a small boat anchored to the shore with a rope. For each \$100 donation, viewers headed the boat a foot closer to the bank. That kind of imaginative fund-raising, says officials of arts groups, is now essential—as they will sink. Last week Ottawa focused attention on the plight of arts groups when a task force on arts funding, chaired by prominent businessman and arts patron Edmund Bovey, released its report. Funding of the Arts in Canada to the Year 2000 calls for an increase in total arts funding to \$850 million annually by the year 2000 from \$400 million in 1985. Across Canada, artists welcomed the findings as a lifeline amid their financial struggles. But there were debates over recommendations that the business community dramatically increase its share of the burden.

Finance Minister Michael Wilson and former minister of communications Marcel Boivin created the task force in June, 1985, to find ways to improve arts funding in Canada, especially in the private sector. Newly appointed Communications Minister Flora MacDonnell says she took time to study the report, but she deplored its recommendations as “malicious, pragmatic and imaginative.” Funding of the Arts suggests such innovative breaks for visual artists as allowing them to pay income tax with donations of their own works. And to encourage more public support, it proposes a tax deduction of 50 per cent of the cost of subscriptions to performing arts events and arts magazines, as well as memberships in public galleries and museums.

But the task force has placed special emphasis on suggestions for raising more money out of corporate coffers. Although the report calls for annual arts funding increases of four per cent a year from both the federal and provincial governments, it urges

that corporate funding increase more dramatically—to nine per cent a year. To encourage that growth, the task force calls on the federal government to stimulate corporate sponsorship by offering to match private-sector funds with public grants. It proposes other incentives, including income tax deductions of 125 per cent for companies making three-year pledges to support arts organizations and donations to endowment funds. And

some members of the arts community say that it is unrealistic or even dangerous to increase their dependence on corporate funding. David Inayat Baker, artistic director of Halifax's Nova Dance Theatre, “It is difficult to court corporate support when most corporations are headquartered in Central Canada.” Some artists also say that corporate sponsorship can obscure their creative individuality. Vancouver playwright Humbert Harkin, whose play *Enter Mike and the Wife*, Aikhe appeared in Toronto's La Maîtrise World Stage Theatre Festival last month, objected to the event's partial sponsorship by Imperial Tobacco Ltd. He argues that corporate funds should go directly to the Canada Council for it to distribute as it sees fit.



Bovey: coaxing more dollars out of corporate coffers

Still other arts groups complain that many corporate patrons prefer conservative to avant garde works that might upset the company image. But there is evidence that businesses may be hearing less inhibited. Last year Conchag Services Limited, a Winnipeg-based paint and coating firm, sponsored the Prairie Theatre Exchange's production of *Section 31*, a revue based on Manitoba's controversial French-English bilingual bill. And Arnold Eisenberg, president of the Toronto-based Council for Business and the Arts in Canada, “Until Conchag stepped in, no one would touch it with a barge pole.”

The credits to consumer such companies, the task force admits, could cost federal and provincial governments as much as \$45 million annually by the year 2000. Bovey argued that the sum was a “relatively small portion of Canada's gross domestic product.” Still, those who favor making such a commitment face considerable opposition. Earlier in July the Treasury Board announced a plan to cut \$52 million from funds for cultural agencies. Said Bovey: “We've said we got our report in when we did it given as a chance to say, ‘Wait a minute, guys. Slow down!’”

—PAMELA YOUNG with PHEL CIBRELL
in Ottawa

The importance of Peter Jennings

By Allan Fotheringham

Now the first thing you've got to look at is the tie Peter Jennings is the only anchorman brave enough to abandon the ostrich, square Windsor he's known to be supposed to be so appealing to Mr and Mrs Front Porch out there in Peoria. Ronald Reagan, as could be expected by his age, wears a Windsor knot that would make a Clydesdale Don Butler and Tom Brokaw—who should be ashamed of themselves, wear this style relic—which was named after the Duke of Windsor. These things are important. By these tie knots shall ye know them. And so it's terribly vital to realize that Peter Jennings—whose other "handiwork" are that he is a Canadian and a high school dropout—last week chose the most popular anchorman in the U.S. of A.

In the great scheme of life it might not appear imperative that ABC World News Tonight with Peter Jennings was the weekly network's news race with a 39 Nielsen rating and a 25-per-cent audience share, but others care. Millions of dollars in advertising rest as these statistics. Agency Network executives are sacked. Ad agency figures go head-on into their marinas on Madison Avenue. Producers are sent to the bread line, handwriters are questioned, and top strategists are hauled in and interrogated as to why Duke was wearing his security blanket of a sweater in the fall heat. On such matters do empires fall.

Peter Jennings, the 47-year-old Ottawa dropout, is doing rather well. By far the most accomplished reporter of the Jennings-Baker-Brokaw rivalry, his cool mid-Atlantic accent and his sophisticated wardrobe and his calm delivery make the CBC millionaire and the NBC milk-fed boy appear rather too all-American.

It's been known for some time by insiders that, in the breakdowns in ratings, Jennings has been winning the popularity war in the league of self-centred big-city folk appreciate his *Allan Fotheringham is a columnist for Southern News.*

talent. Now that he has gained enough in the rural areas to beat Texas old boy Butler and the Midwest's basic prototype Brokaw, there is angst in ad land.

Peter Jennings is a new guy. He has good taste in other things besides ties. His third wife, Kati, is from Hungary and writes for the London *Sunday Times*. He has authentic roots as a hunk. His father was Canada's first national radio newscaster. Charles Jennings was one of the first four newsmen hired by the Canadian Radio Broadcasting Commission, predecessor of the CBC, in 1935. When the CBC was

that Brookville radio station *CBC* had greater need for his services. He later tried Carleton University night classes briefly, but again soon left. He is advertised as American wherever as a high school dropout, telling kids not to do it. He isn't done bad. ABC forces \$800,000 on him.

He bounced around the CBC for a while, then became TV's Parliament Hill anchorman and covered the fall of the Debrahman government in 1982. Unbeknownst to him, he took the first to New York and offered him a job. They sent him to Minneapolis to report the integration turmoil, and two carloads of Ku Klux Klan members chased him in a wild 100 mile-per-hour chase which still leaves him with considerable thoughts about that state.

He was briefly ABC's anchorman in New York, bailed it because it took him away from the field and the action he loves and soon returned to the suffer-not-and-builes role and headed up ABC's first Middle East bureau, working in Rome and then Beirut. He actually was quite prepared to come home when he heard about the CBC's plans to establish *The Journal*. He expressed interest—and waited around for a year without leaving back.

Don Baker, the six-million-dollar man, is too hyper, too eager to please. At high moments of American drama, like the President's inauguration, he has been seen to cry on screen. To the cool, professional Jennings, that would be the sign that you're not a pro. They were the usual American press queries, when he took the ABC anchorman role, about his citizenship. At a party at the Galt's ambassadorial mansion on Rock Creek Drive shortly after he took over, his ex-wife, Renee Arfink, ragged him about taking out American citizenship. Jennings was adamant, so was. At the North of July news in New York ("enclosure" coverage of which ABC had bought) reporters used the obvious sentence to corner him once again, or a great patriotic day, so to his phone. With his own citizenship in the top, Peter Jennings had to confess. Yes, he would in time become an American citizen. Pity.

formed in 1986, he was made chief anchor. As the "Voice of the News" in the 1980s, he covered such events as the arrival of the first drug-bus from England, the first broadcast of the opening of Parliament and the 1988 royal tour by King George VI and Queen Elizabeth, and the Queen Mary. He went on to become a vice-president of the Holy Mother Corp.

So young Jennings had no excuse when he started his professional broadcast career as a "horrifically pretentious" nine-year-old for a national network Saturday morning hit, parade show, *Peter's Program*. The big song of the day was *The Teddy Bear's Picnic*. I happen to have it on good authority from a former girlfriend of his, a woman who happens to be editing a book that will be on Canadian bookshelves on Oct. 6, that at age 15 Jennings announced that his ambition was to be a major network newscaster. He was at the peak Trinity College School in Port Hope, Ont., when he decided



Two great ways to celebrate the spirit of Canada.

Canada's internationally renowned Canadian spirit and Canada's newest reason to celebrate, join together to welcome the world. On May 2nd, as EXPO 86 opens its gates, we at Hiram Walker Brands Ltd. are proud to be a part of it. Join us in welcoming the people from over 80 nations participating in EXPO 86, and join us in celebrating the great spirit of Canada. Hiram Walker Brands Ltd. distillers of Canadian Club.

Canadian Club
BE A PART OF IT.

EXPO
86

The Algonquin Golf Course
* 4 drives by-the-Sea, N.H.



du MAURIER



For people with a taste for something better.

WARNING: Health and Welfare Canada advises that danger to health increases with amount smoked — avoid inhaling. Av. per cigarette:
du Maurier Light: Reg: 9 mg "tar", 0.8 mg nicotine; King Size: 11 mg "tar", 1.0 mg nicotine. du Maurier: Reg: 13 mg "tar", 1.0 mg nicotine;
King Size: 16 mg "tar", 1.2 mg nicotine.